

October 18, 2022

Ms. Autumn R. Agans
Deputy Director, Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Re: Response to Notice of Intent & Request for Comment – *Statement on Regulatory Burden*,
Farm Credit Administration, Agency; 12 CFR Chapter VI RIN 3052–AD55; 87 Federal
Register 43227-43228

Dear Ms. Agans:

Central Texas Farm Credit, ACA appreciates the opportunity to comment on the Farm Credit Administration’s (“FCA”) *Statement on Regulatory Burden* that was published in the *Federal Register* on July 20, 2022 (87 FR 43227).

We fully support the comments made by the Farm Credit Council (“FCC”) on behalf of Farm Credit System institutions (“System”) in response to the *Statement on Regulatory Burden*. In addition to supporting the position of the FCC regarding the *Statement on Regulatory Burden*, Central Texas Farm Credit, ACA submits the following comments for your consideration.

Central Texas Farm Credit is a smaller Farm Credit association, and we would like to reiterate how some of the recent regulations and issued guidance have negatively affected our ability to further the Farm Credit mission. The FCC’s letter identified many regulations and issued guidance that have increased the regulatory burden for all system institutions. The increased level of regulations and guidance for areas such as IT services, model risk and vendor management for smaller associations has greatly stressed and stretched our limited administrative and human capital resources. Due to our size, our association relies heavily on our funding bank, the Farm Credit Bank of Texas (FCBT), to negotiate and contract with vendors, software providers, and service providers. We have only one model that is not provided to us through FCBT. We have a limited numbers of vendors we contract with outside of FCBT and none of those would be identified as critical vendors. Thus, our association should not be required to have the same robust vendor and model risk management programs as larger institutions. As a small association relying on our funding bank, we are merely duplicating the work that FCBT has completed with more competent and available resources.


As noted in the FCC’s letter, the number of new regulations and guidance from FCA in the last few years has made it difficult to stay in compliance. FCA appears to overlook that some farm credit institutions do not have separate departments dedicated to the areas covered by new regulations and guidance. For us, the same team that creates the model risk management framework is the same team that is responsible for third-party vendor management which is the same team that has been tasked with revamping the Standards of Conduct program. This is also the same team that provides assistance and information to internal and external auditors and manages the internal controls framework, in addition to managing our lending and back-office teams that are actually providing direct services to our customers. The current regulatory

environment has forced smaller associations like us to reallocate personnel to create new procedures, processes, and other programs to comply with new regulations instead of focusing on how to better serve our customers and fulfill the Farm Credit mission. We request that FCA consider the challenges and limitations smaller institutions face when creating new regulations and providing guidance on existing regulations.

Thank you again for the opportunity to comment on the Statement on Regulatory Burden. We hope that our comments herein, as well as those submitted by the FCC and other System institutions, will assist the FCA.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Boyd J. Chambers". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Boyd J. Chambers
Chief Executive Officer
Central Texas Farm Credit, ACA