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June 9, 2014

Mr. Barry F. Mardock  
Deputy Director  
Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

Dear Mr. Mardock:

Thank you for the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. Adherence to appropriate Standards of Conduct is important to the integrity of the Farm Credit System and a topic which should be carefully considered. The FCA's proposed rule, however, does far more harm than good and should be substantially revised.

As a director of CoBank, I find that the disclosure requirements in the proposed rule are inappropriate and completely unrealistic. The proposed rule entirely ignores the System's cooperative structure. I strongly disagree with FCA's view that ordinary course of business transactions between directors (or employees) and System customers create any type of conflict, especially given that directors at CoBank, and most System institutions, do not have any role in approving loans or the terms of loans.

Requiring directors to disclose routine business transactions with a customer is not realistic. The number of transactions occurring in the normal course of business means that both CoBank and its directors would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest. Perhaps most importantly, the proposal will immediately discourage qualified individuals from serving on the board of their FCS association.

I urge the FCA to revise the proposed rule substantially prior to issuing a final rule. I would also like to offer my support for the comments submitted by CoBank and the Farm Credit Council. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jim Magnuson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jim Magnuson  
General Manager  
Key Cooperative  
Roland, IA