FARM CREDIT
ILLINOIS

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December 5, 2024

Via Electronic Mail

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

Re: Response to Advance Notice of Proposed Rulemaking – Loans to Similar Entities, Farm Credit Administration, Agency; 12 CFR Part 613; RIN 3052-AD58; 89 FR 72759 (Sep. 6, 2024)

Dear Ms. Agans:

I am writing on behalf of Farm Credit Illinois ("FCI") to comment on the Farm Credit Administration's ("FCA") Advance Notice of Proposed Rulemaking that was published in the Federal Register on September 6, 2024, relating to similar entity lending activity (the "ANPRM"). 89 FR 72759. FCI appreciates the opportunity to comment on the ANPRM.

FCI Agrees With The Comments Submitted by the Farm Credit Council

FCI agrees with the comments submitted by Robert P. Boone, III on behalf of the Farm Credit Council. FCI submits the following comments to emphasize how similar entity lending is of particular importance to FCI.

Similar Entity Lending Materially Enhances FCI's Safety & Soundness and Ability to Serve its Members

FCI serves a sixty county area in the southern half of Illinois. FCI's territory is heavily concentrated in row crops, specifically corn and soybeans. Given our territory's relatively high concentration in a few row crops, similar entity participations provide a highly valuable risk management diversification tool for FCI and enhances FCI's safety and soundness.

In addition to important risk diversification, similar entity loans also provide FCI with income to support its many programs that benefit farmers in our territory. For example, FCI's "FreshRoots" program helps young and beginning farmers through reduced interest rates, relaxed lending standards, reimbursement of fees for FSA guarantees, and cash incentives to encourage participation in FCI-developed educational programs. These special programs, which provide consequential benefits to directly eligible farmers are necessarily expensive. Income generated by FCI's similar entity loans increases its earnings capacity and materially enhances FCI's ability to provide valuable benefits to directly eligible farmers through special programs, member services, educational opportunities, pricing discounts, and patronage.

Any diminution in FCI's ability to make similar entity loans would adversely affect FCI's loan diversification and its ability to provide valuable services and programs to directly eligible farmers in our territory. It also would reduce FCI's earnings and reduce the patronage FCI is able to pay to our members.

Thank you for the opportunity to comment on the ANPRM, and we very much appreciate FCA's consideration of our observations and suggestions. If you have any questions, please feel free to contact me.

Sincerely,

Robert H. Rhode

Robert H. Rhode
Senior Vice President & General Counsel