FARM CREDIT
COUNCIL

June 16, 2026

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

Re: Response to Proposed Rule – *Assessment and Apportionment of Administrative Expenses*, 12 CFR Part 607

Dear Ms. Agans:

On behalf of the Farm Credit System (the "FCS"), the Farm Credit Council (the "FCC") appreciates the opportunity to comment on the Farm Credit Administration's (the "FCA") proposed rule on Assessment and Apportionment of Administrative Expenses, published in the *Federal Register* on April 23, 2026 (the "Proposed Rule"). The Proposed Rule would revise the formula used to apportion FCA administrative expenses among FCS banks and associations (the "Formula").

In response to the Proposed Rule, the FCC convened an FCS workgroup (the "Workgroup") consisting of representatives from each FCS bank as well as associations of different sizes. The Workgroup met over the course of several weeks to review and discuss the Proposed Rule. In addition, the FCC hosted a call with the FCS Regulatory Contacts on June 11 prior to submission of this letter.

The FCS, as represented by the Workgroup, recognizes that the FCA's proposed changes to the Formula will affect FCS institutions differently, particularly based on asset size, and expects that individual institutions may submit their own comment letters further detailing their thoughts on the proposal.

Nevertheless, the FCS reached alignment on several overarching principles:

First, the FCS appreciates the FCA's effort to reevaluate its assessment methodology. As noted in the Proposed Rule, the structure of the FCS has changed substantially since the current regulation was adopted in 1993. Consolidation has reduced the number of institutions, while average asset size has increased, and growth across institutions has not been uniform.

Second, the FCS supports an assessment methodology that is fair, equitable, and reflective of current FCS conditions, while remaining consistent with cooperative principles. To the extent practicable, a revised Formula should be durable over time.

Third, while striving for durability over time, the FCS also encourages the FCA to review its assessment methodology on a regular basis to ensure it remains fair and equitable, reflects FCS structure and supports cooperative principles. A periodic review cycle, for example, every five to ten years, may be appropriate. The FCA may also wish to consider identifying objective, data-driven triggers for review, such as metrics tied to consolidation or shifts in asset distribution.

Finally, the FCS encourages efforts by the FCA to enhance transparency around its administrative expenses and the allocation of those expenses across the FCS. Specifically, it would be helpful if the FCA provided information about the costs of examining and regulating FCS institutions. This information would help in the evaluation of equitability over time.

We appreciate the opportunity to provide input on the Proposed Rule and the FCA's willingness to revisit and refine its assessment methodology. Please do not hesitate to contact us if we can provide additional information.

Sincerely,

Christy Seyfert
President and CEO
Farm Credit Council