Colonial FARM CREDIT

June 17, 2026

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

Re: Comment on Proposed Rule – Assessment and Apportionment of Administrative Expenses (12 CFR Part 607; RIN 3052–AD66)

Dear Ms. Agans:

Colonial Farm Credit appreciates the opportunity to comment on the Farm Credit Administration's proposed rule revising the assessment and apportionment of administrative expenses under 12 CFR Part 607.

The Farm Credit Council ("FCC") has submitted a comment letter on behalf of the Farm Credit System reflecting principles developed through a System workgroup that included representatives from each System bank and associations of varying sizes. We support the principles articulated in the FCC's letter.

Colonial Farm Credit fully supports the proposed rule as a necessary and well-reasoned modernization of the current assessment methodology. The Farm Credit System has changed significantly since the rule was adopted in 1993, with a substantial reduction in the number of institutions and a corresponding increase in their size and complexity. These structural changes have led to disparities in how assessments are allocated relative to each institution's share of System assets.

The proposed revisions appropriately address these imbalances. Increasing the pro rata component from 30 percent to 75 percent, while reducing the tier-based component to 25 percent, provides a more equitable alignment between assessments and each institution's share of total risk-weighted assets. This recalibration ensures that institutions contribute more proportionally, improving fairness across the System.

We also support the update to asset tier thresholds, which better reflects the current distribution of System assets. Modernizing these tiers preserves the intent of the original framework while ensuring it remains relevant in today's environment.

Importantly, the proposed rule maintains core elements of the existing methodology, including recognition of economies of scale, retention of a tiered structure, and continued use of the FIRS-based risk premium while protecting confidentiality. We agree that a fully pro rata approach would not achieve these objectives as effectively.

We appreciate that the proposal does not increase the total System assessment, but instead redistributes it more equitably among institutions. This measured approach reflects a thoughtful balance between proportionality and the diversity of System institutions.

In our view, the proposed rule strengthens the fairness and integrity of the assessment framework while preserving its foundational principles. Accordingly, **Colonial Farm Credit strongly supports adoption of the proposed rule as issued.**

Thank you for the opportunity to comment and for FCA's continued commitment to an equitable regulatory structure for the Farm Credit System.

Sincerely,

Paul B. F' Sr.

Paul B. Franklin, Sr.
President and CEO
Colonial Farm Credit, ACA