June 17, 2026

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

Re: Response to Proposed Rule – Assessment and Apportionment of Administrative Expenses

Dear Ms. Agans:

Plains Land Bank, FLCA (PLB) appreciates the opportunity to comment on the Farm Credit Administration's (the "FCA") proposed rule on Assessment and Apportionment of Administrative Expenses that was published in the *Federal Register* on April 23, 2026 (the "Proposed Rule").

PLB participated in the workgroup that developed the comment letter submitted by the Farm Credit Council (the "FCC") on behalf of Farm Credit System institutions (the "System") in response to the Proposed Rule. We support the principles outlined in that letter, including the importance of fairness, equity, transparency, and durability in the FCA's assessment methodology. We believe those principles provide an appropriate foundation for evaluating revisions to the current framework.

<u>Support for the Proposed Rule</u>

In addition to supporting the FCC's letter, PLB supports the Proposed Rule itself. We believe the FCA's proposed updates to the assessment formula appropriately reflect the current structure and distribution of assets within the System while remaining consistent with the spirit of the framework developed through the negotiated rulemaking process in the early 1990s.

As the Proposed Rule notes, the System has changed significantly since the current formula was adopted in 1993. Consolidation has reduced the number of institutions, asset sizes have increased substantially, and growth has not occurred uniformly across the System. Over time, the results produced by the existing formula have moved away from the proportional allocation that was intended when it was adopted. As a result, small and mid-sized institutions today bear a higher assessment burden relative to their size than was originally contemplated.

The Proposed Rule represents a measured adjustment to address this shift. It does not abandon the core framework established in the 1990s; rather, it updates that framework to reflect current System conditions. The continued use of a blended formula remains appropriate. Under this methodology, the formula incorporates both a graduated table based on average risk-adjusted asset tiers, with assessment rates that decline as asset size increases (the "Table"), and a proportional component tied to each institution's share of total average risk-adjusted assets. This approach continues to recognize economies of scale, consistent with the original negotiated rulemaking. The proposed updates to the asset tiers within the Table are also important. The current tiers no longer reflect the size distribution of institutions in the System and revising them helps ensure the Table continues to function as intended.

A key aspect of the Proposed Rule is the recalibration of the relative weighting between the Table and the pro rata allocation based on average risk-adjusted assets. The proposal would reduce the weighting of the Table to 25 percent of the total assessment, while increasing the pro rata component to 75 percent.

We agree with the FCA that this adjustment is appropriate and necessary to move the formula closer to the level of proportionality that existed when the framework was adopted in 1993. As the FCA recognized in the Proposed Rule, updating the asset tiers within the Table alone would not achieve that result. We also believe that reducing the weight assigned to the Table will make the formula more durable over time, as it lessens reliance on fixed asset tiers that can become outdated as the System evolves and asset distributions change. As the experience under the current formula demonstrates, heavier reliance on those fixed tiers can contribute to allocations that diverge from the proportionality originally intended.

Periodic Review

PLB recognizes that any changes to the assessment formula will affect institutions differently. Some institutions will see increases, while others will see decreases. While these impacts are important, we believe the focus should remain on achieving a fair and sustainable allocation of FCA administrative expenses over time.

For that reason, we support the FCC's recommendation that the FCA periodically review its assessment methodology. Establishing a regular review cycle, along with consideration of objective, data-driven triggers for review outside of the cycle, would help ensure the formula continues to reflect the System's structure as it evolves.

Conclusion

PLB appreciates the thoughtful approach the FCA has taken in developing the Proposed Rule. We believe the proposed revisions represent a reasonable and balanced update to the existing assessment framework, one that improves equity, reflects current System conditions, and remains grounded in the principles underlying the original negotiated rulemaking.

Accordingly, PLB supports adoption of the Proposed Rule and encourages the FCA to continue engaging with System stakeholders as it finalizes the rule and considers mechanisms for future review.

Thank you for the opportunity to comment. We would be pleased to provide any additional information or perspective that may be helpful.

Sincerely,

Kay Lynn McLaughlin
CEO