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

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

Ag Credit ACA ("Ag Credit"), on behalf of its membership, appreciates the opportunity to comment on the Farm Credit Administration's ("FCA") Proposed Rule on Assessment and Apportionment of Administrative Expenses, published in the Federal Register on April 23, 2026 (the "Proposed Rule").

The discussion in the preamble to the Proposed Rule clearly and simply illustrates the need for the adoption of the Proposed Rule. For System associations such as Ag Credit, with average risk weighted assets between $1 billion and $10 billion, there is a current assessment ratio of 1.66 in 2025, compared to 0.80 in 1993. By contrast, institutions with greater than $10 billion in average risk weighted assets, which is currently 13 System institutions collectively holding 81.7% of total System assets, were assessed only 68.6% of total assessments, resulting in an assessment apportionment ratio of 0.84 in 2025.

The current formula has not merely become outdated but is patently inequitable. Smaller and mid-sized institutions now, and have for many years, incurred materially greater FCA assessment costs relative to their share of System assets than the largest institutions in the System. That result does not reflect the balance intended when the current formula was adopted and does not meet the Farm Credit Act's requirement that FCA assessments be apportioned equitably.

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. Ag Credit supports the core principles articulated in the FCC comment letter.

Ag First Farm Credit Bank ("AGF") has submitted a comment letter, and Ag Credit strongly agrees with and supports the positions taken by AGF in its comment letter. Ag Credit further strongly supports the recommendation of AGF that the Proposed Rule be adopted without material change. Any suggestion to revise the tier ranges while leaving the formula weighting between the pro rata and graduated tier components unchanged should be rejected. That option was considered by FCA, and as previously determined by FCA, revising the tier ranges alone would address only the current issues, not the underlying cause for the current inequitable assessment of costs. A tier-only revision approach would simply repeat the same cycle that led to the current inequity.

Conclusion

As a System institution we are a cooperative and the current inequitable assessment formula is a cost borne directly by our member borrowers. Adoption of the Proposed Rule, as written, will reasonably return the assessment formula to a similar proportionality that existed in 1993, correct the imbalance in how assessments are allocated, and restore equitability in the FCA assessments for the benefit of our membership.

Ag Credit appreciates and commends the thorough and thoughtful review by FCA of its assessment methodology and for proposing a rule that is consistent with the Farm Credit Act's requirement that FCA assessments be apportioned equitably.

Ag Credit encourages FCA to finalize the Proposed Rule as submitted.

Please do not hesitate to contact us should you have questions or concerns.

Sincerely,
Ag Credit ACA

By: Brian J. Ricker
Its: President and CEO