AgriBank
FARM CREDIT BANK

June 17, 2026

Submitted via email to: reg-comm@fca.gov

Autumn R. Agans, Deputy Director
Office of Regulatory 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:

AgriBank, FCB ("AgriBank") 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"), which would revise the assessment formula used to apportion FCA administrative expenses among Farm Credit System banks and associations.

AgriBank has reviewed the Farm Credit Council ("Council") comment letter on the Proposed Rule. AgriBank participated in the workgroup consisting of representatives from each Farm Credit System bank as well as associations of different sizes referenced in the Council comment letter. The workgroup met over the course of several weeks to review and discuss the Proposed Rule.

AgriBank agrees with and supports the comments provided by the Council in its letter and offers the following additional commentary:

As noted in the preamble to the Proposed Rule (the "Preamble"), the Farm Credit Act requires the FCA to apportion assessments on an "equitable" basis. Unfortunately, the Preamble does not list or describe specific criteria for the FCA to use for determining whether an allocation methodology is equitable. In the Preamble, the FCA indicates that the Proposed Rule's methodology would be equitable because it would produce proportional rates, based on average risk-weighted/risk-adjusted assets, that are approximate to those that were in effect around the time the current regulation was adopted. Assessments under the Proposed Rule wouldn't be directly based on institution-specific supervisory costs or burdens, although it is possible that some correlation between assessments and supervisory costs and burdens would exist.

AgriBank is unable to determine whether the Proposed Rule is equitable, as required by the Farm Credit Act language, based on the information provided by the FCA. It is not clear to AgriBank that the apportionment of assessments under the current regulation was originally equitable, such that the current regulation should serve as the basis for the new regulation. In addition, the current regulation was the result of a negotiated rulemaking that occurred many years ago when the number and composition of Farm Credit System institutions was quite different. These factors call for a reduced deference to the current regulation. Finally, AgriBank maintains that an equitable assessment must be primarily cost driven, and FCA has provided no supervisory cost data in the Preamble that would support the proposition that the Proposed Rule is cost driven.

Aligning assessments with usage or benefit is fundamental in maintaining fairness and credibility in the allocation framework. As such, the FCA's costs should be allocated in a manner that is fair, transparent, and closely aligned with the underlying drivers of those costs. A cost driver-based allocation approach would enhance transparency and help ensure equity across institutions with similar asset sizes but differing operational complexity profiles. Such an approach would help to recognize the distinction between fixed and variable components of the FCA's cost structure, which is critical to assigning costs in a way that reflects actual supervisory demand.

Accordingly, we encourage the FCA to re-propose the new regulation using a cost-driver allocation methodology. Alternatively, at a minimum, the FCA should perform and disclose a comparative analysis between the proposed methodology and a cost driver-based approach to demonstrate that the resulting allocations are reasonably consistent. This would provide stakeholders with greater confidence that the finalized regulation produces equitable and economically grounded outcomes. With respect to any methodology it chooses, the FCA should communicate the rationale for the methodology and provide relevant data points and calculations that allow Farm Credit banks and associations to assess the merit of the methodology.

We appreciate the opportunity to comment and the FCA's consideration of our comment letter. We would be happy to meet with the FCA to discuss our comments or provide any additional information that the FCA may deem helpful. If you have any questions or require additional information, please contact me.

Sincerely,

Thomas P. Hitchcock
Chief Legal Officer and General Counsel
AgriBank, FCB