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June 13, 2014

Mr. Barry F. Mardock
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Mr. Mardock:

Thank you for the opportunity to comment on FCA's recent proposed rule regarding Standards of Conduct. Adherence to appropriate Standards of Conduct is important to the integrity of the Farm Credit System and a topic which should be carefully considered. The FCA's proposed rule, however, does far more harm than good and should be substantially revised.

As a director of Alabama Ag Credit, ACA, I find the pre-transaction disclosure requirements in the Conflicts of Interest section of the proposed rule to be entirely inappropriate and completely unrealistic. The proposed rule ignores the System's and our association's cooperative structure, which by its nature has built-in conflicts. However, even in instances where our directors know they're dealing with an association customer, there is no conflict of interest since directors at Alabama Ag Credit do not have any role in approving loans or the terms of loans.

Requiring directors to disclose any transaction with a customer is not realistic. Both the director and Alabama Ag Credit would spend an enormous amount of time shuffling paperwork with absolutely no impact on any conflict of interest. Perhaps most importantly, the proposal will immediately discourage qualified individuals from serving on the board of their FCS association.

I urge FCA to revise the proposed rule substantially prior to issuing a final rule. I would also like to offer my support for the comments submitted by Alabama Ag Credit, ACA, the Farm Credit Bank of Texas, and the Farm Credit Council. Thank you for your consideration.

Sincerely,

Ray Petty

Director of Alabama Ag Credit, ACA