



# FARM CREDIT ADMINISTRATION

## Examination Workpaper

### Lending (and Leasing) Limit Base Computation (12 CFR § 614.4351, as reported in Call Report Schedule RC.1 line 5)

**Institution Name:**

**Computation As Of Date:**

*This workpaper is used to verify the institution's lending (and leasing) limit base computation.*

Description	Reference/Source	Amount	Comments
1. Permanent capital amount (outstanding) as defined by <a href="#">§ 615.5201</a> and adjusted per <a href="#">§ 615.5207</a> <sup>1</sup>	Call Report Schedule RC-R.1 line 6(b)		
<b>Additions:</b>			
2. Amount equal to investments held in other institutions connected to loan participations sold to those institutions <sup>2</sup>	<a href="#">§ 614.4351(a)(1)</a>		
3. Any amount of otherwise eligible third-party capital that is required to be excluded from total (regulatory) capital under <a href="#">§ 628.23</a>	<a href="#">§ 614.4351(a)(2)</a>		
<b>Deductions:</b>			
4. Amount equal to investments from other institutions connected to loan participations purchased from those institutions <sup>2</sup>	<a href="#">§ 614.4351(a)(1)</a>		
5. Any amount of preferred stock not eligible to be included in total (regulatory) capital as defined in <a href="#">§ 628.2</a>	<a href="#">§ 614.4351(a)(2)</a>		
<b>Lending (and Leasing) Limit Base</b>			

- 1 § 614.4351(b) specifies that the Lending (and Leasing) Limit Base should be calculated on a monthly basis as of the preceding month-end. This workpaper contemplates testing this computation by starting with the permanent capital amount from the most recent quarterly Call Report because of its ready availability.
- 2 These two adjustments are needed to reverse the permanent capital treatment for this type of investment (accorded by § 615.5207) for purposes of calculating the Lending (and Leasing) Limit Base per § 614.4351(a)(1).

**Comments:**

*This workpaper is not intended to create any rights, substantive or procedural, enforceable at law or in any administrative proceeding. While the workpaper was carefully reviewed for applicability and accuracy, changes may occur in the wording or interpretation of laws and regulations. If a situation arises where the workpaper becomes inconsistent with applicable laws or regulations, the requirement of the laws or regulations will prevail. Examination scope may vary between institutions. On a particular examination activity, the workpaper may not pertain to all factual situations or interpretations, additional concerns or issues may be addressed that are not covered in the workpaper, and some portions of the workpaper may not be used.*