

RELATED SERVICES LIST

Farm Credit Administration

June 2004

Authorized Institutions	Type of Service	Description	Special Conditions
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA, SC	Estate Planning Service	Providing information and assistance concerning development of estate plans. Does not include providing legal counsel or advice or executing the estate planning documents.	
ACB, FCB, BC, ACA, PCA, FLBA, FLCA, SC	Fee Appraisal Service	Providing real and personal property appraisals and evaluations. (Note: appraisals done in conjunction with making or servicing System loans are not considered related services for the purpose of this regulation.)	
ACB, FCB, BC, ACA, PCA, FLBA, FLCA, SC	Recordkeeping Service	Providing recordkeeping systems tailored to recipients' needs. Includes AgriFax®, and clerking services associated with the auction of farm-related personal property.	
ACB, FCB, BC, ACA, PCA, FLBA, FLCA, SC	Tax Planning and Preparation	Preparing tax returns and assisting recipients in understanding tax implications of alternative management decisions and strategies.	
ACB (Title 1 and II), FCB, ACA, PCA, FLBA, FLCA, SC	Farm Business Consulting	Assisting with business planning for on-farm or aquatic operations. Includes such activities as assisting individuals in defining business goals, identifying management problems, and formulating or analyzing alternative strategies for achieving goals. Institution personnel may not be involved in making management decisions.	Institutions must have procedures in place to eliminate or, where appropriate, effectively manage conflicts of interest between the credit and business consulting functions.
ACB (Title III), BC, SC	Cooperative Business Consulting	Providing consulting services to cooperatives or other eligible recipients to assist management and directors in making business decisions. May include educational seminars, development of computer services, business analysis, feasibility studies, and activity coordination (e.g., coordination of activities on mergers or formation of joint ventures). Institution personnel may not be involved in making management	Institutions must have procedures in place to eliminate or, where appropriate, effectively manage conflicts of interest between the credit and business consulting functions.

		decisions.	
ACB (Title III), BC	Foreign Currency Exchange	Providing foreign currency exchange services necessary to individual transactions that may be financed under Title III, section 3.7(b) of the Farm Credit Act of 1971, as amended.	Subject to the criteria under 12 CFR 614.4900.
ACB, BC, FCB	Financial Risk Management for Customers	<p>Providing risk management products that enable customers to hedge interest rate risk inherent in their balance sheets. Limited to the following derivative products:</p> <ul style="list-style-type: none"> <li>• Interest rate swaps, caps, collars and floors;</li> <li>• Forward rate agreements; and</li> <li>• Exchange-traded and over-the-counter interest rate options on eligible interest rate futures contracts.</li> </ul> <p>(Products may be offered as part of loan packages or as stand-alone hedging tools.)</p>	<p>(1) Interest rate swaps should be included with the borrower's total debt when calculating lending limits under 12 CFR Part 614, Subpart J. For swaps where the bank keeps an offsetting position, it must include the credit risk of the swaps with the borrower's total debt when calculating lending limits. Credit limits for each counter-party should be determined by reviewing the potential magnitude of adverse payment increases over the life of the swap.</p> <p>(2) Financial risk management programs are subject to annual audits by a Certified Public Accountant.</p>

Insurance Services	
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Credit Life Insurance, Mortgage Life Insurance, or Mortgage Accidental Death Insurance Coverage that pays off or reduces an outstanding loan or mortgage in the event of the insured's death.
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Term Life Insurance Group or individual term life insurance coverage that is renewable at the end of the term.
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Credit Disability and Accident Insurance or Mortgage Disability Insurance Insurance that provides for loan or mortgage payments, or some degree of income protection, if the insured is disabled.
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Hospital Income Insurance. Insurance that provides a specified amount of income while the insured is hospitalized. A form of credit disability insurance, and subject to the debtor-creditor requirement.
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Multiple-Peril Crop Insurance (including insurance provided by the Federal Crop Insurance Corporation) Insurance covering hazards incident to the growing and storage of crops.
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Crop Hail Insurance. Insurance providing protection against damage or loss of crops due to hail or certain other named perils.
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Hay (or Other Crop) Fire Insurance Insurance that covers loss of hay or other crops due to fire.
ACB (Title I and II), FCB, ACA, PCA, FLBA, FLCA	Title Insurance. Insurance against loss or damage resulting from defects or failure of title or from the enforcement of liens existing against title at the time of the insurance.