

# Farm Credit Administration

1501 Farm Credit Drive  
McLean, Virginia 22102-5090  
(703) 883-4000

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## INFORMATIONAL MEMORANDUM



July 30, 2013

To: Chairman, Board of Directors  
Chief Executive Officer  
All Farm Credit System Institutions

From: Gary K. Van Meter, Director  
Office of Regulatory Policy

A handwritten signature in black ink that reads 'Gary K. Van Meter'.

Subject: Guidelines on Submissions of Notices to FCA and Requests for  
FCA Approval of Unincorporated Business Entities

This Informational Memorandum (IM) provides guidance on the submissions of required notices and approval requests to FCA by Farm Credit System (System) institutions that choose to invest in or organize unincorporated business entities (UBEs) to carry out authorized business functions, services or activities in accordance with the UBE regulation at Part 611, subpart J. Unincorporated business entities are defined as non-corporate entities that are organized or chartered under state law.<sup>1</sup>

The notice provision, at § 611.1154 of the UBE regulation, applies to System institutions that organize or make an equity investment in UBEs whose activities include:

- Acquiring and managing unusual or complex collateral associated with loans (i.e., acquired property UBEs),
- Providing hail or multi-peril crop insurance services in collaboration with another System institution(s), or
- Any other UBE activity that FCA deems appropriate for this notice provision in the future.

Such notices, with accompanying material, must be received by FCA no later than 10 business days before making an equity investment in a UBE or organizing a UBE for the foregoing purposes. The rule requires that these notices be sent to FCA. Therefore, send the written notice with accompanying documents directly to FCA's Office of Regulatory Policy (ORP),

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<sup>1</sup> The final rule was published in the May 28, 2013, *Federal Register* at 78 FR 31822. The rule took effect on July 22, 2013. Notice of the July 22<sup>nd</sup> effective date was published in the July 26, 2013, *Federal Register* at 78 FR 45051. The rule applies to System banks, associations, and section 4.25 service corporations.

attention Director of ORP, 1501 Farm Credit Drive, McLean, VA 22102-5090. We will process them and inform the Office of Examination (OE) of their disposition.<sup>2</sup> A detailed checklist covering the procedures for notices to FCA is identified in the attached Packet A.

All other requests to organize or invest in UBEs for purposes outside the provisions of the notice require FCA approval under § 611.1155 of the UBE regulation. A detailed checklist covering the approval requests is identified in the attached Packet B.

As an alternative to submitting notices and approval requests to FCA in hard copy as described above, institutions may use e-mail provided that the documents we receive are legible, complete, and include the required signatures. If documents are incomplete or illegible, we will notify the submitting institution(s) that they must resubmit their notice or request and the 10 business day advance notice period will not begin until we receive complete and legible documents. This same guidance applies for the submission of approval requests. Electronic mail submissions should be sent to [ORPMailbox@fca.gov](mailto:ORPMailbox@fca.gov).

Any questions on this IM or the attached notice and approval procedures in Packets A and B should be directed to Gary Van Meter, Director, ORP, at (703) 883-4026 or by e-mail to [ORPMailbox@fca.gov](mailto:ORPMailbox@fca.gov) or Barry Mardock, Deputy Director, ORP, at (703) 883-4456 or by e-mail to [ORPMailbox@fca.gov](mailto:ORPMailbox@fca.gov).

Attachments: Packet A: Notice to FCA to Organize or Invest in a UBE  
Packet B: Request to Obtain FCA App

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<sup>2</sup> This procedure represents a change from the instructions in FCA Bookletter BL 057, in which notices on acquired property were to be sent directly to the System institution's examiner-in-charge in OE. Because the rule on UBEs incorporates the significant provisions of BL 057, the booklet was rescinded on the effective date of the final rule.