

Statement
Kenneth A. Spearman, Board Chairman
Farm Credit Administration Board Meeting
March 10, 2016

The Capital Rule that we are voting to finalize today will update and modernize the Farm Credit Administration's capital requirements, and the language we use to discuss them, consistent with best industry practices and comparable with those of the U.S. banking sector. On becoming FCA Chairman, one of my priorities for this Board was to finalize this important rulemaking.

FCA recognized that the Farm Credit System would benefit by conforming, where appropriate, to the standards of the Basel III framework and the Federal banking regulatory agencies' rules. This rule represents untold hours of work and research by the staff as to how best to apply Basel principles to the System's cooperative structure.

In this rule, I believe we have achieved a good balance between following Basel principles and giving the System the flexibility it needs to meet its mission as a government-sponsored enterprise. What's more, this rule will ensure that the System continues to remain safe and sound, which is our primary responsibility here at FCA.

Finalizing this rule was a difficult undertaking, and it was truly a team effort. I want to acknowledge the work and vision of my former Board colleagues who served during this rulemaking. Also, I want to thank Bill Hoffman and the senior staff for their work to ensure we had the resources to produce the comprehensive rule we have before us. I want to particularly acknowledge the members of the Capital Workgroup for their diligence in this effort: J.C. Floyd, Becky Orlich, Jennifer Cohn, Tim Nerdahl, Jeremy Edelstein, Chris Wilson, Curtis Bednarz, Ryan Hellen, Wade Wynn, and Bill Dunn.