



Big Spring Office  
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Big Spring, TX 79720  
432 267-5513

July 17, 2008

Mr. Gary K. Van Meter  
Deputy Director, Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090

Re: Farm Credit System

Dear Mr. Van Meter:

It has come to my attention that the Farm Credit Administration is seeking to circumvent the will of the people and authorize the Farm Credit System to be able to delve into areas that commercial banks have traditionally served. I am specifically referring to the information I have received from the American Bankers Association stating that for the past two years agricultural bankers have successfully fought to keep the Farm Credit System from using the Farm Bill to increase their nonfarm lending authority (Horizons). Notwithstanding the fact that the Congress rejected inclusion of these horizons in the Farm Bill. Since Farm Credit could not get the lending authority to be included in the Farm Bill, you are now proposing to enact certain portions of those horizons via regulation. As an ex-government employee who has dealt with administrative regulation, I can easily see how this could happen; however rest assured that if the language of the bill does not specifically allow this – your regulations will be struck down and make your efforts meaningless. This can happen in the way of appropriations, court actions, or numerous other ways. If you want the Farm Credit System to act as a bank, pay taxes – pure and simple. We, as ag bank lenders, are forced to compete with the Farm Credit System and we have to pay taxes on our profit. Just think what would happen to rates for Farm Credit customers if Farm Credit was forced to pay taxes. When both the Senate and House of Representatives has refused to give you the authority to proceed with passing this regulation; what on earth gives you the power to arbitrarily circumvent their will by imposing this new program by regulation.

Specifically, the proposed FCA regulations I am discussing would authorize Farm Credit System institutions to "invest" 150% of their surplus capital in financing hospitals, health care facilities, roads, bridges, transportation infrastructure,

venture capital funds and any other type of investment the FCA approves, if the investment is located in a community with a population of less than 50,000. Please prove to me there is not funding available from financial institutions, and these area are underserved. I live in a town of under 20,000 population and we have at least seven commercial banks in this community who are actively lookir for loans like this.

In conclusion, I would like to reiterate it takes a very large ego on the part of Farm Credit to think they can circumvent the will of Congress, and get their way. If Farm Credit wants to act as a bank, become a bank, pay taxes, and get right i here with us. I welcome the challenge. Until you are willing to play by the same rules we have to, be regulated by the OCC, and be a bank – remain within the scope of your present regulations and serve the agriculture community. Personally, I don't see the need for Farm Credit as there are more than a sufficient number of lenders more than willing to take over the market share you currently have.

Sincerely,

A handwritten signature in black ink, appearing to read "Johnny Earp IV". The signature is stylized and somewhat cursive, with a large loop at the beginning and a smaller loop at the end.

Johnny Earp IV  
Market President  
Wells Fargo Bank, N.A,