ArborOne FINANCIAL

800 Woody Jones Blvd. | Florence, SC 29501
P.O. Box 3699 | Florence, SC 29502 | www.ArborOne.com
843-662-1527

July 25, 2008

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

Re: Regulation / Policy / Bookletter HM – 08 – 5; Proposed Rule 12 CFR Part 615; RIN 3052-AC42; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations; Mission-Related Investments, Rural Community Investments.

Dear Mr. Van Meter:

The stability of United States agriculture depends on rural communities to support the related businesses and markets critical to farming success. Unfortunately, rural areas are not receiving the resources for financing as are urban areas. As background, the following are a few of the statistics provided by the W. W. Kellogg Foundation study, "Rural America Falls Behind" issued July 27, 2004:

- Roughly 80% of our country is rural; however this only represents 22% of the population.
- The median income in rural areas is, on average, 25% lower than that of urban areas.
- The poverty rate is 28% higher in rural areas. 95% of the rural areas in our country are considered persistent poverty counties.
- The median age in rural communities is 18% higher than in urban areas.
- Children who are raised in rural areas often seek better opportunity and higher quality of life in larger cities because of the lower quality of life in rural communities.

The success of agriculture is directly tied to the success of the economy of nearby rural communities. The modernization or replacement of rural community hospitals, schools, utilities and other infrastructure needs, help to maintain and increase employment in rural areas, act as incentive for migration into the community, and help support those involved in existing industries. The children of farm families then have the option of remaining in the area, if they choose not to remain in the farm operation.

The Farm Credit System as part of its mission to support agriculture and rural areas, is mandated to providing financing on a competitive basis. Though members of the American Banking Association express that the advantages afforded to the Farm Credit System create unfair competition, our pricing of these investments is based on funding costs as reported by Bloomberg, taking into account the credit enhancement provided by USDA guarantees, when applicable.

It is our mission at ArborOne, and throughout the Farm Credit System, to provide financing to agriculture and investments in rural America resulting in long-term benefits to the entire rural area. This proposed ruling insures competitive and equitable financing to rural areas, particularly for infrastructure needs.

Thank you for your consideration and concern for rural America.

Tonya Adams

Tonya Adams
Loan Specialist
800 Woody Jones Blvd.
Florence, SC 29501
ArborOne Financial
800.741.1392
TAdams@ArborOne.com