



**Federal Farm Credit Banks  
Funding Corporation**

10 Exchange Place, Suite 1401  
Jersey City, New Jersey 07302  
201/200-8000  
<http://www.farmcredit-ffcb.com>

SENT VIA E-MAIL ([reg-comm@fca.gov](mailto:reg-comm@fca.gov))

January 21, 2009

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

Dear Mr. Van Meter:

Re: Disclosure and Accounting Requirements [HM-08-08]

We appreciate this opportunity to comment on the proposed rule as published November 24, 2008 in the Federal Register at 73 FR 70921 ("Proposed Rule"). As you know, the Federal Farm Credit Banks Funding Corporation ("Funding Corporation") and the Farm Credit System's Accounting Standards Workgroup ("ASWG") are supportive of efforts by the Farm Credit Administration to (1) clarify the FCA regulations related to disclosure and reporting practices of System institutions; and (2) ensure that FCA regulations are consistent with System structural changes and updated to include changes to accounting and reporting standards.

On behalf of the ASWG, we have provided below comments on certain sections of the Proposed Rule. We are always available to provide more detail on these comments and to answer the FCA's questions, if any.

**1. Contents of the Annual Report to Shareholders; Incorporation by Reference  
[§ 620.5(a) through (e)]**

- Amend the language to allow information required by these provisions to be incorporated by reference to not only the MD&A section, but also to the financial statements and footnotes. Flexibility should be allowed for each institution to meet disclosure requirements by incorporating by reference what is contained in the MD&A or the financial statements and footnotes as long as the descriptions and disclosures are appropriately included in the annual report to shareholders.

**2. Description of Business; Significant Developments [§ 620.5(a)(4)]**

- Amend the language to disclose any significant material developments (the proposal would now include patronage and dividends) for the last three years, rather than five years. Limiting discussion to the last three years would be consistent with furnishing financial statement and footnote presentation for the last three years, as required by §620.5(m). Moreover, we believe that the continuation of the five year disclosure requirement would provide no additional relevant information to the reader as significant developments still having a material impact would be discussed in the disclosures in the MD&A.

**3. Listing of Directors and Senior Officers and their Terms of Office [§ 620.5(h)(1)]**

- In addition to disclosing the date the senior officer commenced employment in his/her current position, we believe it would be useful information to also require disclosure of prior positions held if in the current position less than 5 years. There are situations where senior officers held other positions during their employment and by disclosing only the commencement date for the current position, the experience of the senior officer is understated.

Again, we appreciate the opportunity to provide this input on the Proposed Rule, and we appreciate the FCA's efforts to clarify and update the FCA regulations related to disclosure and reporting practices of System institutions.

Sincerely,



H. John Marsh, Jr.

Managing Director – Financial Management Division  
Federal Farm Credit Banks Funding Corporation