



July 17, 2008

Gary Van Meter
Deputy Director, Office of Regulatory Policy
1501 Farm Credit Drive
McLean, VA 22102

Re: Proposed Rule; Funding and Fiscal Affairs, Loan Policies and Operations, and Funding Operations;
Mission-Related Investments, Rural Community Investments, Farm Credit Administration; 12CFR Part 615; 73
Federal Register No. 116; pp 33931; June 16, 2008

Dear Gary Van Meter:

I am writing to express my opposition to the Farm Credit Administration's (FCA) proposed rule that would allow Farm Credit System (FCS) lenders to invest up to 150 percent of their capital surplus on projects unrelated to agriculture.

This proposed rule would shift the FCS away from its statutory mission to agriculture by authorizing FCS institutions to finance hospitals, healthcare facilities, transportation infrastructure, hotels, office parks, manufacturing facilities, and any other types of investments FCA identifies as appropriate.

The proposed rule raises safety and soundness issues.

The proposed FCA rule would permit FCS institutions to invest up to \$36 billion of their owners' capital surplus in speculative investments that the FCA has little or no experience in evaluating for safety and soundness.

Poor investment decisions could hurt the FCS's credit rating, resulting in higher interest rates and fees charged to farmers and ranchers. Not only could this harm farmers, ranchers, and the System's cooperative framework, it also could expose taxpayers to unwarranted risk.

The System should not be allowed to make investments in areas where it has no experience, no loan making authority, no branch networks, and no authority granted by Congress.

The Farm Credit System is a government-sponsored enterprise (GSE) created by Congress, with certain advantages and limitations, to serve a specific mission. This proposed rule moves the FCS away from that mission.

I respectfully urge the Farm Credit Administration to withdraw this proposed rule on "mission-related activities" for the reasons stated above.

Sincerely,

A handwritten signature in black ink, appearing to read "Ty Nelson", is written over a light blue horizontal line.

Ty Nelson
President
First Company