

Mr. Gary K. Van Meter, Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22101-5090

In Re: Proposed Rule on Registration of Mortgage Loan Originators
74 FR 27386, June 9, 2009 – RIN 3052-AC52

Dear Mr. Van Meter:

Thank you for the opportunity to present our comments on the federal regulatory agencies' proposed rules regarding implementation of the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act). In addition to our comments herein, Colonial Farm Credit supports comments by the AgFirst Farm Credit Bank as well as those submitted by the Farm Credit Council on behalf of all System institutions.

We would like to respond to a portion of the Agencies' specific requests for comments as follows:

#1 -The Agencies specifically request comment on whether the proposed initial registration requirements as well as the requirements for maintaining registration are adequate and feasible for Agency-regulated institutions and their employees who are mortgage loan originators, yet serve the consumer protection purposes enumerated in the S.A.F.E. Act.

Comment – We would appreciate guidance as to how to source certain information required for registration related to organizations controlled by the registrant. Specifically:

- A. Financial information for the 10 years prior to the date of registration or renewal constituting a history of business bankruptcy based upon events that occurred while the employee exercised control over an organization;
- B. Felony convictions or other final criminal actions involving a felony against organizations controlled by the employee; or misdemeanor convictions or other final misdemeanor actions

against organizations controlled by the employee involving financial services, a financial services-related business, dishonesty, or breach of trust.

#2 - The Agencies specifically seek comment on whether the three-year age limit for existing fingerprints is appropriate and whether Agency-regulated institutions currently have fingerprints of their employees on file, and if so, whether they are in digital or paper form.

Comment – No employee fingerprints are on file. We feel that requiring collection of these fingerprints is an unnecessary invasion of employee privacy and should be omitted from the regulation.

#3 - The Agencies seek comment on batch processing and welcome suggestions for workable alternative approaches that could mitigate the initial registration burden on Agency-regulated institutions and their employees. Comment is also sought on the appropriateness of having one employee input registration information into the Registry on another employee's behalf.

Comment – We appreciate the opportunity to utilize batch processing and allowing one employee input registration information into the Registry on another employee's behalf. Both will somewhat reduce the burden of complying with this regulation.

#4 - Agency-regulated institutions are encouraged to identify how many of their employees would qualify as residential mortgage loan originators under this definition, and therefore, would be required to register under this proposed rule. Please provide specific information on the number of employees engaged in mortgage loan origination, with both actual count and as a percentage of total employees.

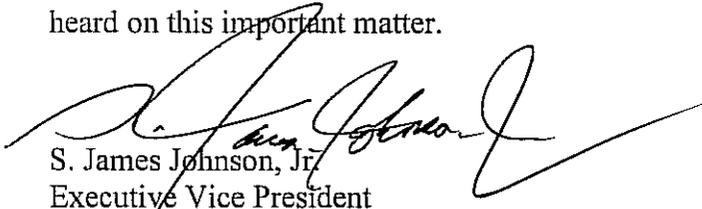
Comment- Thirty-one (31) by number and thirty-eight percent (38%) by percentage of our employees would qualify as mortgage loan originators under this definition.

#5 - It would also be very helpful for Agency regulated institutions to identify the internal departments to which these employees are assigned, and whether they are engaged in activities other than residential mortgage loan origination.

Comment – Seven of these employees are assigned to our Country Mortgage Unit while twenty-four are assigned to our branch offices. Those assigned to our branch offices spend the vast majority of their time engaged in activities related to making and servicing loans to full time and part time farmers in their assigned territories. These activities are completely unrelated to residential mortgage loan origination. Therefore, we suggest the proposed “de minimis” exception is too low.

A more appropriate volume threshold would be 12 loans during the past 12 months for an employee – regardless of the number of residential mortgage loans originated by our Association. Many of these employees have in excess of ten years of stellar Farm Credit service, and many have already undergone extensive background checks at the time of being hired by Colonial Farm Credit. Our recommended “de minimis” exception would appropriately relieve most of these twenty-four employees from these registration requirements.

Colonial Farm Credit again wishes to thank FCA for the opportunity to have our comments heard on this important matter.

A handwritten signature in black ink, appearing to read "S. James Johnson, Jr.", written over the typed name.

S. James Johnson, Jr.
Executive Vice President
Colonial Farm Credit, ACA