

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

7/22/2008

Dear Mr. Van Meter:

Several challenges I see with the rule regarding "mission-related investments". There are substantial differences in commercial lending and agricultural lending.

The Farm Credit System is a **Government Sponsored Enterprise**, farmer owned, and farmer capitalized cooperative lender, with certain advantages and specific limitations. Congress created GSEs to serve specific missions. In the late 70's and early 80's there was a place for GSE agricultural lending.

Poor decisions by system managers will hurt the FCS's credit rating and result in higher interest rates and fees charged to the farmers and ranchers who own and borrow from the System. Poor investment decisions by some System managers could harm the cooperative framework of the System, as every FCS lender is jointly and severally liable for the actions of their fellow cooperative members.

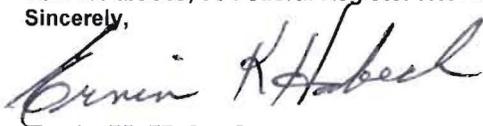
A reasonable person would not and I do not believe that FCA, a financial system safety and soundness regulator, would authorize FCS managers to bet all the surplus of their farmer and rancher owners, plus 50 percent more, on investments FCA admits are not marketable and that FCA has no real experience evaluating. Poor investment decisions by System managers could quickly burn through the capital of the farmers and ranchers who own the System and could place **American taxpayers** at risk, **again**. We should have learned from the housing problem to maintain sound judgment in our financial decisions and when the taxpayer is the ultimate individual at risk, we must be even more prudent in our decisions.

System institutions would be permitted to invest in venture capital funds that are by definition highly speculative. The proposed rule violates principles limiting the mixing of banking and commerce, a practice long curtailed by Congress and enforced by banking regulators due to the potential for manipulation of normal market functions.

When banking and commerce are integrated there exists a genuine risk of insider activity, preferential treatment, undue influence, and anti-competitive activities.

I urge you to vote no on the **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.**

Sincerely,



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