FIRST NATIONAL BANK

201 West Washington - PO Box 645
St. Francis, KS 67756
Phone: (785) 332-2145
Fax: (785) 332-3982
www.fnb.com

July 23, 2008

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

Dear Mr. Van Meter:

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

Congress created GSEs to serve specific missions, with certain advantages and limitations.

The proposed rule would shift the FCS away from its statutory mission to lend to farmers, ranchers, certain farm-related service businesses, farmer-owned cooperatives, and certain rural homeowners.

The proposed FCA rule would permit FCS institutions to invest up to 150 percent 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.

Congress rejected similar expansion proposals for the Farm Credit System in the 2008 Farm Bill.

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 Administration should withdraw the proposal on "mission-related activities."

Sincerely,

Tom Keller VP

Tom Keller VP