
THE FARM CREDIT COUNCIL

50 F STREET NW • SUITE 900 • WASHINGTON, DC 20001-1530 • 202/626-8710

August 15, 2008

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

Dear Mr. Van Meter:

We strongly support the proposed Rural Community Investment regulation. As the comment period on it draws to a close, we note that the comment process largely has resulted in a “numbers effort” by the banking community that, for the most part, opposes rural America having greater access to the Farm Credit System. The Agency has received several thousand emails from bankers and bank staff. Those letters have resulted not from a studied review of the proposed regulation and its implications for allowing the Farm Credit System to invest resources earned in the rural community back into the community, but they have been generated because the banking trade associations are attempting to flood the process with negative letters. They aggressively have asked their members to log on to websites and send “robo” letters. .

We believe that it is important to document for the public record how this process has worked. We readily admit that as a result of their efforts we have been forced to ask our membership to generate several thousand “robo” comment letters as well. We regret that by doing so we may have complicated further the commenting process. We know that this results in the unnecessary wasting of valuable staff time of the Agency. Unfortunately we had no choice.

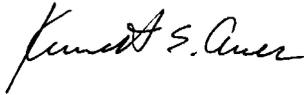
The following material is what appeared on the websites used by the banking trade associations to generate their letters. As you will note one encouraged folks to choose from the menu of paragraphs in an attempt to make it appear that more unique letters were submitted. We respectfully ask that you take this into consideration as you consider the comments received.

We recognize that the regulatory development process provides all individuals with the right to submit comments during a rulemaking process. By providing the following material we believe the agency and the general public will be better informed as to the process that was used to generate the bulk of the comments that you have received.



We firmly believe that the economic health of the rural communities where the vast bulk of the owners of the Farm Credit System reside is far too important to be trivialized by a process intended to ignore the important substance of what the Agency has proposed and instead focus on playing a simple numbers game. We appreciate your consideration of this as comments are considered.

Sincerely,



Kenneth E. Auer
President and CEO

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ACTION ALERT

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Farm Credit Administration Pushes Horizons Agenda

FCA Uses Regulatory Process to Advance Agenda Rejected by Congress in Farm Bill

For the past two years agricultural bankers have successfully fought to keep the Farm Credit System from using the Farm Bill to increase their nonfarm lending authority (Horizons). Notwithstanding the fact that the Congress rejected inclusion of Horizons in the Farm Bill, the Farm Credit Administration (FCA) is now proposing to enact portions of Horizons via regulation.

Specifically, the proposed FCA regulations would authorize Farm Credit System institutions to "invest" 150% of their surplus capital in financing hospitals, health care facilities, roads, bridges, transportation infrastructure, venture capital funds and any other type of investment the FCA approves, if the investment is located in a community with a population of less than 50,000.

The comment period on the proposed regulations closes August 18, 2008. We need you to write to the FCA today and express your opposition to this proposal.

While you can send this communication "AS IS" we strongly urge you to personalize it. The FCA discounts the value of identical letters. To have the most impact we need you to personalize your letter.

You can e-mail your letter or print it out and mail it in. If you choose to mail your letter here is the address:

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

If you have any questions please contact us at grassroots@aba.com.

TAKE ACTION NOW! Enter Your Zip Code:

 [**Tell A Friend**](#)

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Take Action

To assist you in writing your letter we have provided talking points. You can use some or all of the talking points to construct your letter. The aim is to produce unique letters that will have the maximum impact on the process.

A copy of your letter will be sent to your Members of Congress. This will make them aware of the controversy that the FCA proposal is generating.

1 COMPOSE MESSAGE

Select recipients and desired delivery method for each:

		Printed Email	Letter
<input checked="" type="checkbox"/>	Senator John W. Warner (R-VA)	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Senator James Webb (D-VA)	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Representative Thomas M. Davis III (R-VA 11th) **	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Gary Van Meter, Deputy Director,	<input type="checkbox"/>	<input type="checkbox"/>

Office of
Regulatory Policy

[Check All](#) [Uncheck All](#)

** This Member accepts email only from constituents. If you are not a constituent, your message will be forwarded to your representative.

Subject:

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

Issue Area:

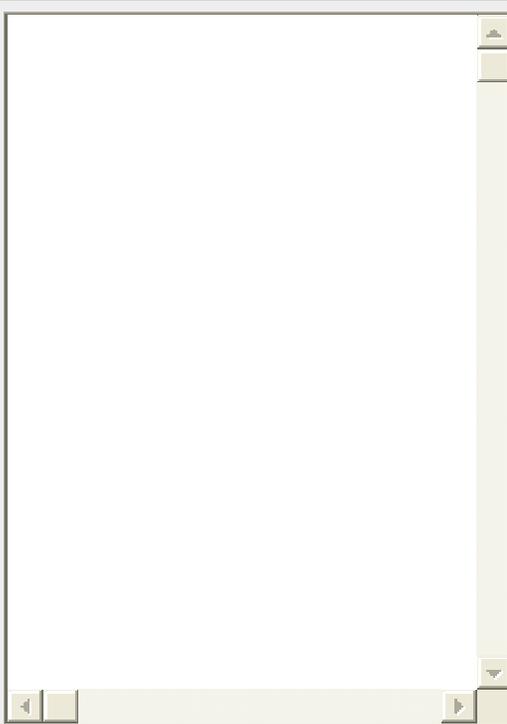
Editable text:

(edit or add your own text - 10000 characters left)

Talking Points

Click the red arrow to select any of the following text for inclusion in your message.

◀ 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



Tip: Cutting-and-pasting?
Save as [plain text](#) first.

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.

Your Closing:

Sincerely,

Your Name:

2

SENDER INFORMATION

Your Contact Information:

Prefix (required by some officials)

First*

Last*

Email*

Address*

City*

State*

ZIP*

ZIP + 4

Phone

Company*

Title

Sign me up for the ABA Grassroots Network.

A copy of your message will be sent to the e-mail address entered above.

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Action Alert



Oppose FCA Rural Community Investments Proposal

Take Action

1 COMPOSE MESSAGE

Message Recipients:

- Your U.S. Senators
- Your U.S. House Representative
- Gary K. Van Meter, Deputy Director, Office of Regulatory Policy

Delivery Method:

- Email
- Printed Letter

Subject:

Oppose FCA Rural Community Investments Proposal

Editable text:

(edit or add your own text - 3284 characters left)

I must state my very strong opposition to the FCA's "Rural Com
Congress has not authorized FCS to make loans for any of the
These "investments" are not simply supplemental credit that is
I disagree that allow ing FCS to finance community facilities, tra
The proposal also w ill cause great harm to our rural communiti
The risky venture capital investments allow ed by FCA places t

Tip: Cutting-and-pasting? Save as plain text first.

Your Closing:

Sincerely,

Your Name:

2 SENDER INFORMATION

This system requires that you provide your name and contact information. This information will not be used for any purpose other than to identify you to the recipient.

Your Contact Information:

This system requires that you provide your name and contact information. This information will not be used for any purpose other than to identify you to the recipient.

Your Contact Information:

Prefix (required by some officials)

First*

Last*

Email*

Address*

City*

State*

ZIP*

ZIP + 4

Phone

Remember Me! (what's this?)

A copy of your message will be sent to the e-mail address entered above.

(Please click only once.)