

News Release

Farm Credit Administration
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Statement of FCA Chairman Leland A. Strom on Recent Standard & Poor's Rating Actions

McLEAN, Va., August 9, 2011 — “On August 5 and 8, 2011, Standard & Poor's rating agency lowered from AAA to AA+ the long-term issuer and related issue credit ratings of the U.S. government and certain government-related entities, including the Farm Credit System and its consolidated Systemwide debt. With regard to the actions, the Farm Credit Administration (FCA) provides the following guidance for the institutions of the Farm Credit System: the risk weights for Treasury securities and other securities issued or guaranteed by the U.S. Government, government agencies, and government-sponsored entities will not change for purposes of calculating risk-based capital. The treatment of Treasury securities and other securities issued or guaranteed by the U.S. government, government agencies, and government-sponsored entities under other FCA regulations will also be unaffected.

This guidance is consistent with the guidance issued by other federal financial regulatory agencies. We will evaluate any other implications for entities regulated by the FCA and issue additional clarification as necessary.”

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The Farm Credit Administration is the safety and soundness regulator of the cooperative Farm Credit System and the Federal Agricultural Mortgage Corporation (Farmer Mac). FCA charters, regulates, and examines the 96 banks, associations, service corporations and special-purpose entities of the Farm Credit System, which makes loans to agricultural producers and their cooperatives nationwide. This includes Farmer Mac, which provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. Members of the FCA Board are Leland A. Strom, Chairman and CEO; Kenneth A. Spearman; and Jill Long Thompson.

Note: FCA news releases are available on the Web at www.fca.gov.