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FCA Board Receives Reports on Borrower Rights FAQs and Dodd-Frank Act Regulatory Projects

McLEAN, Va., March 10, 2011 — The Farm Credit Administration (FCA or Agency) Board today received two reports—one on a new set of frequently asked questions (FAQs) on borrower rights and the other on the agency's progress in meeting requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Borrower Rights FAQs

FCA staff presented 31 FAQs on borrower rights to the FCA Board. These FAQs supplement 51 existing [borrower rights FAQs](#) located on the FCA website at www.fca.gov. Most of the new FAQs address the issues of least-cost analysis and state mediations.

In addition, several of the new FAQs address other issues: the completeness of a restructure application, postponements of credit review committee meetings, bankruptcy, and right of first refusal in situations where there are multiple former owners.

These new FAQs, together with the existing FAQs, capture existing policy and legal interpretations provided to FCA examination staff and Farm Credit System (System) institutions. The newly developed FAQs will be added to the earlier list, with a numbering system designed to preserve existing FAQ numbers. An electronic notification of their availability will be issued to all System institutions.

Borrower rights are loan and collateral actions that farmers, ranchers, and producers or harvesters of aquatic products are entitled by law to receive from an FCS institution when credit is denied, when a loan is identified as distressed, or when the previous owner's agricultural real estate is foreclosed upon.

Dodd-Frank Act Update

FCA staff presented a report to the Board on the agency's progress toward fulfilling provisions in the Dodd-Frank Act that require FCA to take or consider taking rulemaking action.

According to the review, FCA and the other "prudential regulators" named in the act must jointly develop margin and capital rules for over-the-counter derivatives involving the entities they regulate. An interagency workgroup is drafting a proposed rule. Staff expects to present the proposed rule to the Board for approval in the near future.

In addition, staff is evaluating whether changes to the current FCA foreign currency exchange rules are necessary to implement provisions of the act related to off-exchange retail foreign currency transactions.

Finally, section 939a of the act requires all federal agencies, including FCA, to review all regulations that refer to or impose requirements regarding credit ratings and to replace these references and requirements with appropriate and uniform standards of creditworthiness. FCA has several rulemaking projects to address this requirement.

Notational Votes

Since the February 10, 2011, FCA Board meeting, three notational votes have occurred. Notational votes are actions taken by the FCA Board between Board meetings.

1. On February 24, the Board approved, in separate actions, two Regulatory Enforcement Committee recommendations (11-01 and 11-02) to pursue formal supervisory actions concerning two respective FCS institutions.
2. On March 4, the Board approved the 2011 compensation program for FCA employees.

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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, and service corporations of the Farm Credit System, which makes loans to agricultural producers and their cooperatives nationwide. FCA also examines and regulates 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.