

Jill Long Thompson, Board Chair/CEO
Kenneth A. Spearman, Board Member
Leland A. Strom, Member



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
May 9, 2013**

These minutes reflect the business transacted at the May 9, 2013, Regular Meeting of the Farm Credit Administration Board (FCA Board) pursuant to the Government in the Sunshine Act (Act), 5 U.S.C. § 552b, and the regulations of the Farm Credit Administration (FCA) adopted thereunder.

Before starting the meeting **Board Chair Long Thompson** recognized **John von Reyn**, who retires soon, and thanked him for his years of service to FCA.

The FCA Board meeting was held at the FCA office in McLean, Virginia, beginning at 9:00 a.m. and concluding at 9:47 a.m. Members of the Board present were:

Jill Long Thompson, Board Chair and Chief Executive Officer
Kenneth A. Spearman, Member
Leland A. Strom, Member (by telephone)

The above named constitute the full Board.

Others present included **Charles Rawls**, General Counsel; **Dale Aultman**, Secretary to the Board (Secretary); staff of the FCA and Farm Credit System Insurance Corporation (FCSIC); and two members of the general public. (A list of staff attendees is attached as Exhibit A.)

The **Secretary** read a statement that announced the meeting would be conducted according to the requirements of the Government in the Sunshine Act.

Board Chair Long Thompson reviewed the published Agenda. (A copy of the Public Announcement publishing the Agenda for the meeting is attached as Exhibit B.)

Mr. Spearman moved to adopt the Agenda as published.

Mr. Strom seconded the motion.

There being no further discussion, **Board Chair Long Thompson** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

Mr. Strom noted that the Agenda did include a portion of the meeting that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the meeting be closed at that point.

Mr. Spearman seconded the motion.

There being no further discussion, **Board Chair Long Thompson** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

OPEN SESSION

Approval of Minutes

Minutes for April 11, 2013 (BM-09-MAY-13-01)

Mr. Spearman moved to approve the minutes for April 11, 2013.

Mr. Strom seconded the motion.

There being no further discussion, **Board Chair Long Thompson** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-09-MAY-13-01)**

(A copy of the official "Board Action Item" is attached as Exhibit C.)

New Business

Unincorporated Business Entities – Final Rule (BM-09-MAY-13-02)

Elna Luopa of the Office of Regulatory Policy and **Wendy Laguarda** of the Office of General Counsel presented the Unincorporated Business Entities – Final Rule.

Board Chair Long Thompson opened the discussion for questions by the Board.

Board Chair Long Thompson asked if there was any further discussion and asked staff to provide their recommendation. Staff provided their recommendation.

Board Chair Long Thompson called for a motion on the staff's recommendation regarding the Adjusting Civil Money Penalties for Inflation – Final Rule.

Mr. Strom moved that the Board approve staff's recommendation to approve the Unincorporated Business Entities – Final Rule.

Mr. Spearman seconded the motion.

Board Chair Long Thompson asked if there was any further discussion.

There being no further discussion, **Board Chair Long Thompson** called the question.

The **Secretary** polled the Members and the motion carried unanimously. (BM-09-MAY-13-02)

(A copy of the official "Board Action Item" is attached as Exhibit D.)

Reports

EEO / Diversity – Update

Thais Burlew, Director of EEO and Inclusion presented an update on EEO and Diversity.

Board Chair Long Thompson asked if there were any questions or further discussion from the Board.

There was no further discussion.

(A copy of the information is attached as Exhibit E.)

CLOSED SESSION

Board Chair Long Thompson announced that the next topic on the Agenda was a closed session item pursuant to previous Board action.

Board Chair Long Thompson instructed all members of the public to exit.

Board Chair Long Thompson convened the closed session of the meeting at 9:29 a.m. and instructed the **Secretary** to activate the electronic recording device so that the proceedings of the closed session were properly recorded as required by the Government in the Sunshine Act.

Board Chair Long Thompson then instructed the **General Counsel** to furnish the **Secretary** with a certification, pursuant to 5 U.S.C. § 552b(f), that the portions of the meeting held in closed session may be properly closed to the public.

(A copy of the Certification is attached hereto as Exhibit F.)

Members of the Board present were:

Jill Long Thompson, Board Chair and Chief Executive Officer
Kenneth A. Spearman, Member
Leland A. Strom, Member (by telephone)

The above named constitute the full Board.

Others present included **Dale Aultman**, Secretary to the Board; and **Charles Rawls**, General Counsel. (A list of staff attendees is attached hereto as Exhibit A).

Reports

Office of Secondary Market Oversight – Quarterly Update

Laurie Rea of the **Office of Secondary Market Oversight** presented a quarterly update of activities.

Board Chair Long Thompson asked if there were any questions or further discussion from the Board.

There was no further discussion.

ADJOURNMENT

There being no further business to come before the Board, **Board Chair Long Thompson** called for a motion to adjourn the meeting.

Mr. Spearman moved that the meeting be adjourned.

Mr. Strom seconded the motion.

Board Chair Long Thompson called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

The meeting adjourned at 9:47 a.m.

NOTATIONAL VOTE ACTIONS

There were five notational vote actions approved by the FCA Board from April 11, 2013, through May 8, 2013 as follows:

Item Number	Action Date	Voting Results	Subject
NV 13-09	04/26/2013	Approved	Farm Credit Administration 2013 Compensation Program
NV 13-08	04/29/2013	Approved	Reopen Comment Period - Liquidity Management Regulations for Farmer Mac
NV 13-07	04/15/2013	Approved	CoBank, ACB, Series G Non-Cumulative Fixed-Rate Perpetual Preferred Stock
NV 13-06	04/16/2013	Approved	AgriBank, FCB, Series A Non-Cumulative Perpetual Preferred Stock
NV 13-05	04/16/2013	Approved	Farm Credit West, ACA Class H Cumulative Preferred Stock

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the Farm Credit Administration Board held May 9, 2013.

_____/s/_____
Jill Long Thompson
Board Chair and Chief Executive Officer

_____/s/_____
Dale L. Aultman
Secretary to the Board

Approved: June 13, 2013

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
May 9, 2013**

JILL LONG THOMPSON, Board Chair and Chief Executive Officer
KENNETH A. SPEARMAN, Board Member
LELAND A. STROM, Board Member (by telephone)

OFFICE	OPEN SESSION	CLOSED SESSION
Office of the Board		
Aultman, Dale	X	X
Corey, Kathryn	X	
Smulkstys, Inga	X	X
Calhoun, Gaye	X	
Middleton, Russell	X	X
Rubin, Howard	X	X
COO		
Hoffman, William	X	X
Bell, Ava	X	
EEO&I		
Burlew, Thais	X	
OCPA		
Stokke, Mike	X	X
OSMO		
Rea, Laurie	X	X
Connor, Joe	X	X
Hudson, Bruce	X	X
OGC		
Rawls, Charles	X	X
Strickland, Joy	X	X
Laguarda, Wendy	X	
Pienta, Jeff	X	

OFFICE	OPEN SESSION	CLOSED SESSION
OE		
Coleman, Robert	X	X
Paulsen, Roger	X	X
Muller, Jody	X	
Goodwin, Marla	X	
Fatula, Scott	X	
Arnold, Brandon	X	
Gallegos, Luke	X	
Jones, Ross	X	
McCann, Michelle	X	
Mennenga, Scott	X	
Woodson, Kelli Jo	X	
OIG		
Dean, Elizabeth	X	X
ORP		
Van Meter, Gary	X	X
Mardock, Barry	X	X
Wilson, Debbie	X	
Luopa, Elna	X	
Hixson, Shirley	X	
OMS		
Smith, Stephen	X	X
Valcour, Doug	X	
von Reyn, John	X	
Acker-Ubah, Brenda	X	
FCSIC		
Morris, Jim	X	X
Pfizinger, Rick	X	X
GENERAL PUBLIC	2	

**PUBLIC ANNOUNCEMENT OF
MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT
Farm Credit Administration Board
Regular Meeting
May 9, 2013**

Summary: Notice is hereby given, pursuant to the Government in the Sunshine Act (5 U.S.C. Sec. 552b(e) (1)), of the forthcoming regular meeting of the Farm Credit Administration Board.

Date and Time: The regular meeting of the Board will be held May 9, 2013. The meeting is scheduled to be held at the office of the Farm Credit Administration in McLean, Virginia, from 9:00 a.m. until such time as the Board may conclude its business.

Address: Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090.

For Further Information Contact: Dale L. Aultman, Secretary to the Farm Credit Administration Board (703) 883-4009. TTY is (703) 883-4056.

Supplementary Information: Parts of this meeting of the Board will be open to the public (limited space available) and parts will be closed to the public. In order to increase the accessibility to Board meetings, persons requiring assistance should make arrangements in advance by contacting Dale L. Aultman, Secretary to the Farm Credit Administration Board, at (703) 883-4009. The matters to be considered at the meeting are:

OPEN SESSION

- 1 **Approval of Minutes**
April 11, 2013
- 2 **New Business**
Unincorporated Business Entities – Final Rule
- 3 **Reports**
Equal Employment Opportunity / Diversity Update

CLOSED SESSION

- 4 Office of Secondary Market Oversight Quarterly Report¹

April 26, 2013
Date

/s/
Dale L. Aultman
Secretary to the Board

¹Session Closed-Exempt pursuant to 5 U.S.C. Section 552b(c)(8) and (9).

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for April 11, 2013 Board Meeting

BM-09-MAY-13-01

Effective Date: May 9, 2013

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for April 11, 2013, as submitted.

DATED THIS 9th DAY OF MAY 2013

BY ORDER OF THE BOARD

_____/s/_____
Dale L. Aultman
Secretary to the Board

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000

BOARD ACTION ITEM



**FCA BOARD ACTION ON
Unincorporated Business Entities – Final Rule
BM-09-MAY-13-02**

Effective Date: May 9, 2013

Effect on Previous Actions: Rescinds FCA Bookletter BL—057, Use of State-Chartered Business Entities to Hold Acquired Property on the effective date of the final rule.

THE FCA BOARD HEREBY:

- Approves the final rule to govern System institutions' organization of and equity investment in unincorporated business entities under State law for certain business purposes and make conforming changes to various regulatory sections;
- Approves rescission of FCA Bookletter BL—057, Use of State-Chartered Business Entities to Hold Acquired Property, on the effective date of the final rule; and
- Authorizes staff to make any technical or grammatical changes that may be necessary prior to publication in the Federal Register.

DATED THIS 9th DAY OF MAY 2013

BY ORDER OF THE BOARD

_____/s/
Dale L. Aultman
Secretary to the Board



OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY AND INCLUSION

DIVERSITY UPDATE

FCA Board Meeting
May 9, 2013

Thais Burlew
Director

Exhibit E to FCA May 9, 2013 Meeting Minutes

Agenda

- Diversity at FCA
- FCA's Final Rule on Diversity and Guidance Updates
- System Diversity Updates

I. Diversity at FCA

- 302 Employees in FY 2012
- Diversity at FCA has increased overall
- Minority representation increased to 22.2 percent--a 17-year high
- Individuals with disabilities represented 11.3 percent of FCA's total workforce
- Veterans increased from 33 to 39 employees, or 12.9 percent of FCA workforce

Demographics

- Women represent 42.7 percent of FCA workforce
 - 46.8 percent of CLF
 - 43.9 percent of FCL
- Hispanics represent 4.3 percent of FCA workforce
 - 10.7 percent of CLF
 - 8.0 percent of FCL
- Blacks represent 10.9 percent of FCA workforce
 - 10.3 percent of CLF
 - 17.7 percent of FCL
- Asian represent 6.6 percent of FCA workforce
 - 3.6 percent of CLF
 - 5.6 percent of FCL

Areas of Opportunity

- Minorities represent 22.2 percent of FCA workforce
 - 27.3 percent of CLF
 - 33.8 percent of FCL
- Veterans represent 12.9 percent of FCA workforce
 - 67.7 percent of those vets are or will be retirement eligible by 2016
- Women in Senior Ranks (VH-40 and above) increased to 29.6 percent of FCA
 - FCA's labor force at VH-39s – 48.1 percent

II. Diversity and Inclusion Final Rule

Objectives of Rule

- Ensure System institutions understand promoting diversity and inclusion is critical to the institution's long-term success;
- Institutionalize diversity and inclusion into the corporate culture of each institution through its human capital and marketing plans;
- Ensure System institutions develop strategies and actions to strive for diversity and inclusion within its workforce, management, and board;
- Ensure System institutions develop strategies and actions to market product and services to all eligible and creditworthy agricultural producers with specific attention to diversity and inclusion; and
- Evaluate progress towards accomplishing these strategies and actions.

Diversity and Inclusion Final Rule (cont.)

Training and Guidance

Phase I

- Developed examination guidance and training for examination staff
- Provided examination guidance to System Diversity Workgroup for input
- Discussed at System conferences and meetings

Phase II

- Summarize 2013 examination observations on System's implementation of diversity and inclusion rule
- Share information gathered with an Agency workgroup to determine how to proceed in communicating observations to System

III. System Update

- System Diversity Workgroup spearheading efforts for System
 - Chair: Bill York, CEO AgriBank
 - CoChair: Rodney Patterson, Diversity Officer CoBank
- Over 20 local, regional, national and web-based workshops conducted
- Strategic relationships established with organizations, such as FFA and veterans
- Sponsorship of National FFA Convention “Somos FFA” Hispanic Heritage

System Update (cont.)

- Collaborated with Farm Credit Council to develop workshops to offer System training/panels regarding rule at national conferences
- Developed diversity and inclusion on-line Resource Center under farmcredit.com site to share across FCS as best practices information
- Commitment to publishing and sharing diversity and inclusion related content on farmcredit.com
- Offering six diversity and inclusion training courses for Farm Credit employees through 2013 Diversity & Inclusion Training Series



Thank You



CERTIFICATE OF CLOSED MEETING

The General Counsel, in accordance with the Government in the Sunshine Act, 5 U.S.C. §552b(f)(1), hereby certifies that the Farm Credit Administration Board regular meeting of May 9, 2013 was properly closed to the public on the basis of the exemption set forth below:

- Supervisory and Oversight Activities of FCS Institution – 5 U.S.C. §552b(c) (8) and (9).

/s/
Charles R. Rawls
General Counsel

Date: May 9, 2013