

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



**MINUTES OF THE REGULAR MEETING  
OF THE  
FARM CREDIT ADMINISTRATION BOARD  
October 10, 2013**

These minutes reflect the business transacted at the October 10, 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.

The FCA Board meeting was held at the FCA office in McLean, Virginia, beginning at 9:00 a.m. and concluding at 9:24 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**

Who constituted the full Board.

Others present included **Charles Rawls**, General Counsel; **Dale Aultman**, Secretary to the Board; staff of the FCA and Farm Credit System Insurance Corporation (FCSIC); and three 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 not include any topics that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the meeting remain open.

**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 September 12, 2013 Regular Board Meeting (BM-10-OCT-13-01)**

**Mr. Spearman** moved to approve the minutes for the September 12, 2013, Regular Board Meeting.

**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-10-OCT-13-01)**

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

**New Business**

**Farmer Mac Liquidity Management – Final Rule  
(BM-10-OCT-13-02)**

**Joe Connor** of the Office of Secondary Market Oversight and **Richard Katz** of the Office of General Counsel presented the Farmer Mac Liquidity Management – 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 Farmer Mac Liquidity Management – Final Rule.

**Mr. Strom** moved that the Board approve staff’s recommendation to approve the Farmer Mac Liquidity Management – 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-10-OCT-13-02)**

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

**Flood Insurance – Proposed Rule  
(BM-10-OCT-13-03)**

**Paul Gibbs** of the Office of Regulatory Policy and **Mary Alice Donner** of the Office of General Counsel presented the Flood Insurance – Proposed 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 Flood Insurance – Proposed Rule.

**Mr. Spearman** moved that the Board approve staff's recommendation to approve the Flood Insurance – Proposed Rule.

**Mr. Strom** 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-10-OCT-13-03)**

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

### **ADJOURNMENT**

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

**Mr. Strom** moved that the meeting be adjourned.

**Mr. Spearman** 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 9:24 a.m.

### **NOTATIONAL VOTE ACTION**

There was one notational vote action approved by the FCA Board from September 12, 2013, through October 9, 2013 as follows:

<b>Item Number</b>	<b>Action Date</b>	<b>Voting Results</b>	<b>Subject</b>
NV 13-22	10/02/2013	Approved	Oversight and Examination Plan, Office of Examination Fiscal Year 2014



**STAFF PRESENT AT THE  
FCA REGULAR BOARD MEETING  
October 10, 2013**

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

<b>OFFICE</b>	<b>OPEN SESSION</b>
<b>Office of the Board</b>	
Aultman, Dale	X
Corey, Kathryn	X
Smulkstys, Inga	X
Calhoun, Gaye	X
Middleton, Russell	X
Johansen, Mark	X
Buccolo, Deb	X
<b>COO</b>	
Hoffman, William	X
<b>EEOI</b>	
Burlew, Thais	X
<b>OCPA</b>	
Stokke, Mike	X
<b>OSMO</b>	
Rea, Laurie	X
Connor, Joe	X
<b>OGC</b>	
Rawls, Charles	X
Strickland, Joy	X
Donner, Mary Alice	X
Katz, Richard	X

OFFICE	OPEN SESSION
<b>OE</b>	
Coleman, Robert	X
Paulsen, Roger	X
<b>OIG</b>	
McCain, Veronica	X
<b>ORP</b>	
Van Meter, Gary	X
Gibbs, Paul	X
Fowlkes, Jerome	X
Mardock, Barry	X
<b>OMS</b>	
Smith, Stephen	X
<b>FCSIC</b>	
Pfizinger, Rick	X
Rubin, Howard	X
<b>GENERAL PUBLIC</b>	3

**PUBLIC ANNOUNCEMENT OF  
MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT  
Farm Credit Administration Board  
Regular Meeting  
October 10, 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 October 10, 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. Submit attendance requests via e-mail to [VisitorRequest@FCA.gov](mailto:VisitorRequest@FCA.gov). See SUPPLEMENTARY INFORMATION for further information about attendance requests.

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

**Supplementary Information:** This meeting of the Board will be open to the public (limited space available). Please send an e-mail to [VisitorRequest@FCA.gov](mailto:VisitorRequest@FCA.gov) at least 24 hours before the meeting. In your e-mail include: name, postal address, entity you are representing (if applicable), and telephone number. You will receive an e-mail confirmation from us. Please be prepared to show a photo identification when you arrive. If you need assistance for accessibility reasons, or if you have any questions, contact 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**

- Approval of Minutes**
  - 1 September 12, 2013
  
- New Business**
  - 2 Farmer Mac Liquidity Management – Final Rule
  - 3 Flood Insurance – Proposed Rule

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October 1, 2013  
Date

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*/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**

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**FCA BOARD ACTION ON  
Minutes for September 12, 2013 Regular Board Meeting**

**BM-10-OCT-13-01**

**Effective Date: October 10, 2013**

**Effect on Previous Action: None**

**THE FCA BOARD HEREBY:**

Approves the minutes for the September 12, 2013, Regular Board Meeting as submitted.

**DATED THIS 10<sup>th</sup> DAY OF OCTOBER 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**

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**FCA BOARD ACTION ON  
Farmer Mac Liquidity Management – Final Rule**

**BM-10-OCT-13-02**

**Effective Date: October 10, 2013**

**THE FCA BOARD HEREBY:**

- Adopts the final rulemaking that amends FCA's liquidity management rules pertaining to the Federal Agricultural Mortgage Corporation found at 12 CFR Part 652 Subpart A, and
- Authorizes staff to make any technical or grammatical changes that may be necessary before publication in the *Federal Register*.

**DATED THIS 10<sup>th</sup> DAY OF OCTOBER 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**

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**FCA BOARD ACTION ON  
Flood Insurance – Proposed Rule**

**BM-10-OCT-13-03**

**Effective Date:** October 10, 2013  
**Effect on Previous Action:** The proposed rule, if adopted as a final rule, would amend previously-approved regulations under Part 614 subpart S.

**THE FCA BOARD HEREBY:**

- Approves the proposed rule that would:
  1. Require Farm Credit System (System) institutions to accept private flood insurance, as defined in the Biggert-Waters Flood Insurance Reform Act;
  2. Request comment on whether System institutions should be permitted to accept private flood insurance that is comparable to flood insurance under the National Flood Insurance Program, but does not meet the statutory definition of private flood insurance;
  3. Require institutions to escrow premiums and fees for flood insurance for any new or outstanding loans secured by residential real estate if the loan is not a business, agricultural and commercial loan, unless the institution qualifies for the statutory exception;
  4. Clarify the provisions relating to the force placement of flood insurance; and
  5. Clarify the flood insurance regulations with respect to other amendments made by Biggert-Waters and make technical corrections.
- Authorizes staff to make any technical or grammatical changes and other non-substantive changes prior to publication in the *Federal Register*.

**DATED THIS 10<sup>th</sup> DAY OF OCTOBER 2013**

**BY ORDER OF THE BOARD**

\_\_\_\_\_/s/  
Dale L. Aultman  
Secretary to the Board