Annual Survey Report

September 10, 2026

FARM CREDIT ADMINISTRATION
OFFICE OF INSPECTOR GENERAL

Survey of Farm Credit System Institutions Regarding the Farm Credit Administration Examination Function

Fiscal Year 2025

Executive Summary

Fiscal Year 2025 Survey

What We Did

Each fiscal quarter, the Farm Credit Administration Office of Examination (OE) identifies Farm Credit System (System) institutions that can provide meaningful survey responses for that period. The Office of Inspector General (OIG) surveyed System institutions that received a Report of Examination during the fiscal year or had significant examination activity and interface with OE during the same period. The survey contained 12 statements and asked respondents to rate nine of those statements from 1 (Completely Agree) to 5 (Completely Disagree).

OE identified 47 System institutions to survey regarding fiscal year 2025 examination activity. The OIG received 41 responses (an 87% response rate). This report includes a full fiscal year of survey responses, as well as data from the prior two fiscal years for comparison. A statistical summary of the perceived negative comments are included in a separate section of the report.

Key Takeaways From Survey Responses

Strong Overall Performance and Positive Feedback

The majority of responses were positive, with 89.4% rated "completely agree" or "agree" across the survey statements.

Risk-Based Approach and Calibration

Generally, responses indicated that examinations were well-calibrated to the size, complexity, and risk profile of each institution. Respondents appreciated the alignment of scope with organizational risks and conditions.

Some self-described smaller institutions expressed concern about disproportionate depth and breadth of reviews, requesting continued consideration for a more scaled, risk-based approach.

Respondents saw examiners as diligent and well-versed in regulatory requirements, applying laws and guidance accurately and fairly. A few respondents noted inconsistencies in interpretation and occasional use of non-regulatory criteria.

Professionalism and Efficiency

Examiners were consistently described as professional and courteous. Most institutions experienced efficient processes, timely requests, and streamlined communication.

Respondents noted concerns over extended pre-exam periods, compressed exam cycles, and inefficiencies due to duplicative or unclear requests, especially for smaller institutions.

Communication and Governance Support

Respondents generally noted that communication between OE staff and institutions was clear, accurate, and timely, supporting effective governance and oversight.

Boards and audit committees felt well-informed and engaged, with examination communications providing the information needed to fulfill oversight responsibilities.

Constructive Engagement

Respondents expressed appreciation for onsite engagement, direct interaction, and ongoing dialogue with examiners. Real-time discussions and proactive communication were cited as most beneficial.

System-Wide Guidance

Respondents stated that FCS-wide guidance from OE was generally proactive and helpful, with institutions appreciating timely dissemination and clarity.

Areas for Improvement

Respondents noted that the least beneficial aspects included the overall length and timing of the examination cycle, resource burden on smaller institutions, and occasional lack of clarity in documentation requests.

Respondent recommendations to improve the examination process included more frequent rotation of examiners-in-charge, greater emphasis on pre-exam risk assessments, and improved coordination among examination teams.

Abbreviations

EIC	Examiner-in-Charge
FCA	Farm Credit Administration
FCS or System	Farm Credit System
FY	Fiscal Year
MRA	Matter Requiring Attention
OE	Office of Examination
OIG	Office of Inspector General
YBS	Young, Beginning, and Small Farmer

Background

Farm Credit Administration

The Farm Credit Administration (FCA) is a federal agency responsible for regulating and supervising the Farm Credit System (FCS or System). FCA's mission is to ensure that System institutions and Farmer Mac are safe, sound, and dependable sources of credit and related services for all creditworthy and eligible persons in agriculture and rural America.

Office of Examination

FCA's Office of Examination (OE) examines and supervises the System's banks, associations, and service corporations. OE develops oversight plans, conducts examinations, monitors the System's condition and current and emerging risks to the System, and develops supervisory strategies to ensure that the System operates in a safe and sound manner, complies with the law and regulations, and fulfills its public policy purpose. The frequency of examination activities varies based on risk, but each institution receives a summary of examination activities and a report on its overall condition at least once every 18 months, as required by section 5.19 of the Farm Credit Act, as amended.[1] The Farm Credit Act specifically outlines minimum examination frequency requirements but provides FCA with flexibility to establish the scope of an examination.

[1] 12 U.S.C. § 2254(a).

Purpose of the Survey

The purpose of the survey is to gather structured, candid feedback from System institutions regarding the quality, professionalism, effectiveness, and value of the examination process conducted by OE. The statements are designed to gather institutions' assessments on whether FCA examiners focused on appropriate areas of risk, applied regulatory criteria correctly, and recommended corrective actions that support boards and management in addressing institutional risks. They also seek institutions opinions on the professionalism and efficiency of examination activities, the clarity and timeliness of communications, and the helpfulness of System-wide guidance issued during the examination cycle. Together, the statements and responses provide insights on the System's views on how well the examination program is functioning and where opportunities for improvement may exist.

The statements center on examiner performance, communication quality, and the practical value of the examination process. The survey addresses the technical appropriateness and procedural fairness of examinations and the relational aspects—how well examiners engaged with institutions, considered their input, and conveyed information that supports effective governance. By including open-ended questions about the most and least beneficial elements of the process, as well as overall board commentary, the survey solicits broader institution reflections on how examinations can be most effective. This comprehensive approach supports continuous improvement within the examination program and strengthens the System's oversight framework.

Methodology

Each fiscal quarter, the OIG asks the OE to identify System institutions that are positioned to provide meaningful survey feedback for that period. Institutions are included if they either received a Report of Examination during the quarter or experienced significant examination activity and interaction with OE during the same timeframe. For fiscal year (FY) 2025, OE identified 47 System institutions that met these criteria.

In March, May, September, and November 2025, the OIG distributed surveys with 12 survey statements to the identified institutions for the first, second, third, and fourth quarters, respectively, and received 41 responses, resulting in an 87 percent response rate. The survey asks respondents to rate nine statements on a scale from "1" (Completely Agree) to "5" (Completely Disagree), with an additional option of "6" for statements that do not apply.[2]

The OIG provides the average numerical ratings for each fiscal quarter and all responses received for the fiscal year.[3] For comparison, the OIG provides the two most recent fiscal years for which survey data was collected. Statements 10-12 are not numerically rated because they solicit only narrative responses. If multiple institutions submitted the same comment, the comment is only listed once in this report.

[2] The rating choices are: Completely Agree (1), Agree (2), Neither Agree nor Disagree (3), Disagree (4), Completely Disagree (5), Does Not Apply (6). The OIG does not include ratings of "6" in rating averages because it will skew the numerical average negatively even though the statement is not applicable to the institution.

[3] Previously, the OIG issued survey reports semiannually, covering two fiscal quarters.

Survey Statements 1-9

Survey statements 1-5 pertain to the examination process generally and statements 6-9 pertain to communications during the examination. Beginning with FY 2025, the former statement 4, concerning whether examiners conducted examination activities professionally and efficiently, was broken into two separate statements 4 and 5, to solicit feedback on professionalism and efficiency, respectively.

Survey Statements 10-12

Statements 10 and 11 solicit feedback on the most beneficial and least beneficial aspects of the examination process, respectively. Statement 12 provides an opportunity for the institution's board as a whole to comment on the examination process. Respondents may submit comments for each of the 12 survey statements, but are not required to do so.

Institution Responses

This report includes all of the narrative survey responses, with limited modifications to protect confidentiality and improve readability. Identifying information—such as institution names, examiner names, and specific dates—was removed, and references to "association," "ACA," or "bank" were replaced with "institution" when they referred to a particular entity. Apparent spelling and punctuation errors were corrected, and acronyms or abbreviations were spelled out upon first use. Where necessary, the OIG added bracketed text to indicate removed identifying information or to provide clarifying context. Comments containing perceived negative feedback related to survey statements 1–9 and 12 are grouped separately, and statistical information regarding these comments is presented in its own section of the report.

At the end of the survey, respondents are asked whether they would like the OIG to contact their institution confidentially to discuss the comments or concerns included in their submission.

Survey Results: Examination Process

Statement 1: The scope of examination activities was focused on areas of risk to the institution and appropriate for the size, complexity, and risk profile of the institution.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	2.0	1.7	2.0	1.7	1.9
2024	1.8	1.8	1.8	1.6	1.8
2023	1.7	1.6	1.8	1.8	1.7

Summary of Comments with Perceived Positive or Neutral Feedback

The comments reflect agreement that the scope of the examination was appropriate. Respondents generally indicated that the scope aligned with their institution's size, complexity, and risk profile. Many described the examination as well-calibrated, comprehensive, and focused on relevant risk areas. Comments also noted that communication about examination goals was clear and that the scope incorporated information shared in regular interactions. Overall, respondents expressed that the examination activities were appropriately aligned with organizational risks and conditions.

- The notification of a new examiner in charge [(EIC)] resulted in a change in the scope of the examination, shifting it toward a more focused review of technology, governance, and managed services that more accurately reflected the organization.
- The exam felt right sized to [*institution name removed*] asset size and quality. We appreciate FCA's movement to appropriate size and complexity for small institutions. [*Institution name removed*] can spend more time fulfilling our mission as we serve farmer/ranchers versus time in exam.
- Management agrees with the scope of the engagement, which focused on the risk areas appropriately and aligned with the National Oversight Plan for 2025. Refer to the note in question #2 for applicability of the Office of the Comptroller of the Currency guidance on Recovery Management Planning. [*See first bullet under statement 2 comments perceived with negative feedback*.]
- We are a small and low-risk institution with clean audit reports. Due to this, we feel like our risk profile is minimal. We had no issues with the scope.
- The examination goals were effectively communicated and addressed.
- Agree, any findings or comments were fair in respect to our size.
- Yes, the scope of the examination was appropriate for a small, low risk institution.

- The scope of examination activities appeared to be comprehensive and appropriately addressed the risks within and facing the organization. Our institution has made a considerable investment to develop and maintain a strong control environment, which was considered by the FCA as part of their examination activities. We trust that the FCA will find our approach to FCA's examination observations are not only reasonable, but prudent in continuing to achieve our institution's mission to serve agriculture and rural America.
- The scope of examination activities focused on the appropriate risks to our organization. The examination group leveraged information exchanged in our regular meetings as examination topics.
- Scope of the exam was very broad and covered most areas of the business, including a heavy emphasis on the general workings of the collaboration between [*institution names removed*].
- Reviews of larger assets and programs was appropriate.
- No issues with scope of exam activities.
- Yes, the exam activities focused on appropriate risks for an institution the size and complexity of [*institution name removed*].
- I felt the scope of the exam was appropriate and focused on areas of risk, specifically credit quality and other areas of risk in our industry. The exam followed the scope as presented.
- Overall, the examination scope was calibrated to the institution's risk landscape and provided appropriate insights into the adequacy of board and management operations, assets and loan portfolio management, and financial operations.
- The examination activities were strategically aligned for the size and risk of [*institution name removed*].

Summary of Comments with Perceived Negative Feedback

A theme across the comments is a concern that the depth and breadth of certain examination activities were disproportionate for small institutions. Respondents emphasized that they are small, low-risk institutions and expressed support for a risk-based supervisory approach. Overall, the comments suggest support for FCA’s mission but a desire for more consistent calibration of examination scope to institutional size and risk.

- We appreciate the FCA’s clarification that the scope of examination activities was intended to focus on areas of risk to the institution and be appropriate for the size, complexity, and overall risk profile of the institution.

  [*Institution name removed*] remains a small, low-risk institution, with assets under [*amount removed*] and operations that are comparatively limited in scale and complexity. Because of this, we believe that a supervisory approach tailored to our size and risk profile is both appropriate and consistent with the System’s risk-based examination philosophy.

  We observed, however, that the recent examination appeared to apply the same depth and breadth of review used for significantly larger and more complex institutions. This effectively creates undue regulatory burden, as the level of documentation, testing, and administrative response required is disproportionate to our institution’s size and inherent risk.

We fully support FCA's oversight responsibilities and strive to meet all regulatory expectations, but would also request continued consideration of a more scaled, risk-based examination approach that aligns with our profile as a small, low-risk institution.

- It was felt by the group that there is no delineation between smaller institutions and those much larger during the exam. It creates a very intense lift from a personnel standpoint.
- While some examination activities seemed appropriate for our size and complexity, other activities seemed to be focused on areas of minimal risk and found "issues" that were insignificant.
- The scope of the examination was broad and comprehensive, and included areas of appropriate risk to the institution. However, there appears to be a great opportunity for FCA to practice pre-exam risk assessments and utilize these to focus on specific areas of risk and greatly improve exam efficiency.
- Although we believe the examination included the proper components of risk within their scope plan, we were surprised at the lack of questions regarding capital management and planning. Additionally, we were surprised that loans of substantial volume, although included on the original loan list, appeared to be dropped from the loan review to instead focus on land in transition (LIT). We understand the importance of evaluating issues that could potentially impact the reputation of the FCS regarding scope of financing; however, those risks associated with capital levels and large, shared loans are material to safety and soundness. These concerns have already been communicated to examination leadership.

Statement 2: Examiners appropriately applied laws, regulations, and other regulatory criteria to examination findings and conclusions.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	1.8	1.6	2.1	1.6	1.8
2024	1.7	1.8	2.2	1.6	1.8
2023	1.8	1.6	1.5	1.7	1.7

Summary of Comments with Perceived Positive or Neutral Feedback:

The comments indicate that institutions believe examiners appropriately applied relevant laws, regulations, and regulatory criteria throughout the examination process. Respondents consistently described examiners as diligent, professional, and well-versed in regulatory requirements. Institutions also emphasized that examination activities, requests, and conclusions were aligned with applicable rules and regulatory expectations, with no inconsistencies observed in how requirements were interpreted. Respondents described examiners as accurate, fair, and thorough in their assessments, with some noting that examiners incorporated both regulations and best-practice guidelines when forming conclusions. Overall, the comments reflect confidence in the examiners' regulatory knowledge, the appropriateness of their application of laws and guidance, and the quality of communication throughout the process.

- We agree with the FCA's statement that the examiners appropriately applied the relevant laws, regulations, and other regulatory criteria in forming the examination findings and conclusions. The institution noted no inconsistencies in the interpretation or application of regulatory requirements during the course of the review. We appreciate the examiners' diligence and professionalism in this area.
- This was well done. FCA appropriately listened to Management as we discussed differences in guidance versus regulation and the necessity for small institutions to exceed guidance levels but not risk institution quality or assets.
- Agree, examination activities and requests were in line with regulations.
- Examiners worked within the appropriate laws and regulations. No concerns.
- Yes, the examiners appropriately applied laws, regulations, and other criteria to the exam findings and conclusions.
- The examiners were appropriate in their application of laws and regulations. The examiners appropriately followed regulations.

- As we responded following the last examination, although regulations are written with good intentions, reasonable interpretations of regulations must be allowed for the System to continue to meet its mission in a constantly evolving marketplace. While FCA examiners are well-versed on the application of the regulations, they often seek counsel from FCA's legal division. Over the past two examination cycles, FCA's Office of General Counsel has made a concerted effort to improve communications on important regulatory issues. Accordingly, we appreciate the willingness of FCA's new General Counsel to continue this improved direct communications with the institution going forward.
- The examination team appropriately addressed examination topics in accordance with regulatory criteria.
- Good dialogue occurred during the late stage of the process to end at the right place in this area.
- Yes, the examiners not only applied FCA regulations, but also incorporated guidelines and other best practices for financial institutions.
- Examiners appropriately applied applicable laws, regulations, and regulatory guidance throughout the examination process.
- The examiners effectively and accurately applied relevant laws, regulations and regulatory criteria in their assessment.

Summary of Comments with Perceived Negative Feedback:

Respondents raised several concerns about overreach, inconsistency, and the use of non-regulatory criteria in forming certain findings. Respondents noted concerns about perceived inconsistencies across examination teams, including situations where examination manual language or examiner opinion appeared to take precedence over regulatory text. Despite these concerns, respondents highlighted constructive engagement and productive dialogue with examiners, including meaningful conversations with examination leadership on contested issues.

- Management acknowledges that examiners applied regulatory criteria appropriately. However, the recommendation for a Recovery Management Plan appears to align with OCC guidance rather than FCA requirements. OCC guidelines apply only to institutions with average consolidated assets of $100 billion or more (12 CFR Part 30, Appendix E; OCC Bulletin 2024-31), which our District does not meet. Due to the cooperative structure of the system with limited public market options for resolution, we believe this requirement is better addressed at the system level.

  As of this survey submission, the OCC has published in the Federal Register and requested comment on a proposal to rescind its recovery planning guidelines for certain large insured institutions. Under the proposal, the recovery planning guidelines that went into effect January 1, 2025, and applied to banks with at least $100 billion in assets would be rescinded. The OCC expects the institutions it supervises to be well managed and have appropriate risk management processes in place to prepare for and respond to stress.

  Regardless, efforts are underway to address the recommendation to create a Bank Recovery Management Plan.
- There may have been small overreach in areas and generalizations, but overall this was handled very well by the group.

- We got a Matter Requiring Attention (MRA) for the Young, Beginning, and Small Farmer (YBS) data not being in the annual report. This info was taken out by our preparer but will be included next year. This data was left out of annual reports for other institutions but they did not get an MRA. The standard set by FCA is not consistent.
- We disagreed with the exam team with respect to a finding related to LIT.
- In some instances, the examiners used criteria that was not based in regulations or FCA guidance for findings and conclusions. The discussion and completion requirement of a Recovery Plan without having it in regulations seems a step beyond laws and regulation. From a credit team perspective, the examiners did a nice job of asking questions to understand credit team perspectives as they evaluated our policies and procedures.
- Inconsistent interpretations between exam teams continue to be a challenge.
- In most circumstances, the examination team did apply laws, regulations and regulatory criteria appropriately. However, there were instances where examination manual language appeared to set precedent over actual regulation wording.
- The institution believes there are certain topics, like capital, where the examiners want to impose a standard above and beyond what is required in the regulation. There were times when the examiners use the examination to impose their opinions or wishes versus what is required.
- Overall, yes, although we did experience a shift in philosophy from prior loan reviews regarding LIT/scope of financing guidance application. It is reasonable to assume that if their current application of guidance had been reflected in prior examinations, we would have shifted our approach at that time and prevented the results that we experienced this exam. We appreciate FCA's openness to us providing prior examination examples where they may have missed scope of financing issues and acknowledging their oversight. We had meaningful conversations with examination leadership on this matter and sincerely appreciate their willingness to further discuss and allow us the opportunity to provide examples to demonstrate why we were frustrated and felt they had changed their philosophy.

Statement 3: The matters requiring attention and any supervisory agreement with FCA assisted the board and management in addressing the risks of the institution.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	1.7	1.9	1.9	1.7	1.8
2024	2.1	2.1	1.9	1.5	1.9
2023	2.0	1.6	1.7	1.7	1.8

Summary of Comments with Perceived Positive or Neutral Feedback:

The comments reflect agreement that MRAs and other supervisory messages were appropriate, clearly communicated, and aligned with institutional risk. Several institutions reported having no MRAs, yet noted that discussions with examiners were productive and helped guide management and board attention to relevant policy or operational improvements. Respondents appreciated the quality of dialogue with examiners, the clarity of the exam team's explanations, and the thoroughness with which issues were presented to boards and audit committees. Overall, the feedback conveys confidence in the examination process and appreciation for how supervisory findings supported boards and management in identifying, understanding, and addressing risks.

- The institution had no MRAs to address. Management, Board, and Examiners had quality discussions around risk.
- The summary meeting with FCA team members was most helpful with the board's understanding of any and all issues raised by the examination.
- MRAs were fair and reasonable.
- Examiners prudently determined whether issues were sufficiently addressed through an MRA or an observation. Further, they appropriately allowed management to address observations and take immediate corrective actions when appropriate. As a result, areas raised to the attention of the Board were consistent with board oversight responsibilities and commensurate with the risk presented.
- Yes regarding the MRA. Supervisory Agreement – not applicable.
- The examination did not identify any MRAs. Other items discussed with the examination team directed the board and management towards appropriate policy improvements.
- The MRAs and other concern areas were fully discussed with leadership of the institutions during the exam process, and articulated to the Boards as well during the exam exit discussion. The exam team did a nice job of seeking understanding and were willing to have open dialogue around findings and/or observations.
- FCA has been focused on the right issues and reasonable in their conclusions as they have aligned with internal observations as well.

- Yes, the examination comments regarding reporting expectations and audit scope of the YBS program were useful for the institution's Board.
- The examiners were very thorough in explaining the LIT issues they raised so that our Audit Committee could understand the issues. The MRAs appropriately addressed the risk of the institution. LIT was a focus of this exam, which is a very small percentage of portfolio holdings and risk to the institution.
- We had no MRAs this exam cycle. However, areas of potential improvement were discussed and appropriately addressed.
- We always appreciate that these are focused on areas that we need to give attention to.
- There were no MRAs, however, FCA comments and suggestions were welcomed.
- The MRAs were aligned with the findings of the examination and were reasonable given their perceived concerns.
- This plays a crucial role in helping the Board and management in effectively identifying and mitigating the risk faced by the institution.

Summary of Comments with Perceived Negative Feedback:

Several comments expressed disagreement or reservations about specific MRAs, questioning whether their risk impact warranted elevation beyond an observation. Institutions cited examples where the recommendation did not appear to match the underlying risk, where similar situations were treated differently at other institutions, or where examiners seemed to apply standards inconsistently.

- The institution acknowledges the examination findings and the subsequent MRAs; however, the institution disagrees with the current MRA noted during the most recent exam cycle. The institution board and management noted with the exam team during discussion that the MRA did not appear to have a true financial impact on the institution nor did it have a meaningful effect on our overall risk profile or overall management score.

  We do want to recognize that any MRAs, along with any supervisory discussions or agreements with FCA, have provided valuable guidance to the board over the years. The ongoing engagement does support the Board and management in proactively addressing risks and further strengthening the institution's operations and oversight.
- An example where there was potential misalignment of the recommendation and the risk being addressed is the MRA suggesting addition of a refunding risk limit which could be addressed with a control that highlights this risk using a liquidity gap report instead. [*Identifying MRA language removed*]. Management agrees the MRAs are drafted such that it provides the appropriate level of guidance to address the risks identified for our institution.
- The MRA on Debt Maturity Controls is the only MRA we received. We have no major issue with the MRA, just the lack of consistency in how FCA handled it with other institutions.
- There were certainly one or two MRAs that were valuable and rose to the level of an MRA; however, several others would have been more appropriately shared as observations. It felt like the examiners used the number of MRAs to try and send a message.

Statement 4: The examiners conducted examination activities professionally.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	1.4	1.2	1.6	1.1	1.4

**Beginning with FY 2025, the former statement 4 ("The examiners were professional and efficiently conducted examination activities.") was broken into statements 4 and 5 to solicit feedback on professionalism and efficiency, respectively.*

Summary of Comments with Perceived Positive or Neutral Feedback:

These comments reflect strong positive feedback regarding the professionalism of the FCA examination teams. Institutions consistently praised examiners for their preparedness, respectful communication, and constructive engagement throughout the process. Institutions also noted that examiners brought skilled, well-rounded expertise in areas such as credit, technology, risk management, operations, and assurance, enabling them to evaluate risks effectively and efficiently. Respondents appreciated the exam teams' ability to ask challenging questions professionally, listen actively, and avoid duplicative requests. Several institutions commended the open communication approach, particularly the practice of "no surprises" through ongoing updates during fieldwork. Overall, institutions expressed satisfaction with the examination experience and consistently described the FCA teams as professional, constructive, and easy to work with.

- The institution concurs with the FCA's statement that the examiners conducted all examination activities in a professional manner. We appreciate the examiners' respectful communication, preparedness, and constructive approach throughout the process.
- The EIC consistently demonstrated a high level of professionalism, arriving well prepared with structured agendas, timely information request lists, and organized discussion points for agenda walk throughs and interviews.
- Management found the examiners to be professional and experienced no issues to note. We appreciated the recognition of the MRA remediations which had been completed.
- FCA staff was very professional. We had no issues.
- All FCA staff are courteous and professional. We enjoy the working relationship we have with all the examiners working on our institution.
- The FCA examiners were very professional. Additionally, the FCA continued to deploy skilled resources (credit, technology, operations risk, assurance, management, etc.) that were able to effectively and efficiently evaluate the risks within the organization. We look forward to continuing our productive dialogue on innovation and ways to enhance our institution's ability to meet its mission in a safe and sound manner.
- The exam team members were highly professional and good to work with.
- The examination team was well prepared for the meetings with our associates and was able to gather the information needed without duplicative meetings.
- The entire team was respectful and professional.
- Team did a nice job of asking difficult questions professionally and were active listeners during responses and when additional information was provided.
- Appreciate the exam team approach of communicating as they go to ensure no surprises. Their open communication style made for an engaging and effective process.
- The examiners asked solid questions and developed rapport during the exams.
- The examiners acted very professionally in conducting the examination activities.
- I felt the interactions between the examiners and our Audit Committee were very courteous and professional. The examiners conducted activities very professionally.
- The examiners conducted all examination activities with professionalism and integrity. The examination process was carried out in a courteous and constructive manner.
- The exam team was very professional and always are easy to work with.
- Examiners conducted their activities professionally.
- The examiners conducted their exam with a high level of professionalism.
- The examiners consistently exhibited professionalism throughout the process.

Summary of Comments with Perceived Negative Feedback:

Two comments describe moments where an examiner's communication was perceived as condescending or where statements made to institution management inaccurately implied that management had provided incorrect information. The respondents noted that the examination teams were otherwise professional.

- The majority of the examination staff were very professional and worked well with our team to accomplish their examination objectives. There was one instance of an examiner holding a call with our Audit Committee chair wherein the examiner implied we (management) gave our Audit Committee chair inaccurate information about past examination results, which was not true nor appreciated. These concerns were communicated to examination leadership. Again, the majority of the team was great to work with and have made themselves available for additional communications with our team to ensure we understand guidance and direction. The incident noted above was isolated and is not indicative of our normal interactions with examination staff.
- Outside of a moment of condescension on the part of one examiner, the FCA exam team conducted themselves professionally.

Statement 5: The examiners conducted examination activities efficiently.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	2.0	1.9	2.1	2.1	2.0

**Beginning with FY 2025, the former statement 4 ("The examiners were professional and efficiently conducted examination activities.") was broken into statements 4 and 5 to solicit feedback on professionalism and efficiency, respectively.*

Summary of Comments with Perceived Positive or Neutral Feedback:

The comments reflect agreement that MRAs and other supervisory messages were appropriate, clearly communicated, and aligned with institutional risk. Several institutions reported having no MRAs, yet noted that discussions with examiners were productive and helped guide management and board attention to relevant policy or operational improvements.

Respondents appreciated the quality of dialogue with examiners, the clarity of the exam teams' explanations, and the thoroughness with which issues were presented to boards and audit committees. Overall, the feedback conveys confidence in the examination process and appreciation for how supervisory findings supported boards and management in identifying, understanding, and addressing risks.

- The EIC and team provided the initial request list with sufficient lead time to facilitate meeting scheduling and conducted examinations and walk throughs in an effective and efficient manner.
- The communication and requests appeared coordinated and efficient.
- Agree, our exam time has been shortened significantly over the years due to efficient requests and planning from our EIC.
- FCA examiners were productive and efficient. The FCA examiners continued to appropriately conduct examination activities remotely, which enabled them to effectively and efficiently evaluate the risks within the organization while maximizing the time spent onsite and in meetings with institution staff.
- The examination team was very respectful of the time requested of [*institution name removed*] management and staff.
- The exam process was completed in an efficient manner.
- A training team was onsite for our exam, we understand and appreciate the time and effort it takes to develop new staff.
- The examiners were efficient in conducting the examination activities.
- All meetings between the examiners and our Audit Committee were thorough yet efficient. I always felt they respected our time. The examiners conducted examination activities efficiently and very cognizant of staff's time and consolidated questions where applicable.

- The examiners conducted their exam efficiently, ensuring that attention to detail contributed to a smooth review for all involved.
- As much as possible, the examiners performed tasks and responded in a timely manner.
- The examination team was efficient in their processes.

Summary of Comments with Perceived Negative Feedback:

The comments reflect a mix of appreciation for efficient examiner conduct and significant concerns about broader examination-cycle efficiency and workload impacts. One theme was the efficiency of the reviews. Some institutions described system-level inefficiencies and burdens that impacted their operations. Several comments noted that more frequent examinations or large examiner teams resulted in heavier workloads, vague or duplicative requests, and significant "back-and-forth" communications that disrupted staff and customer service. Other inefficiencies mentioned include a lengthy pre-exam period, overlapping examiner requests, unclear questioning, and protracted examination timelines.

- The institution agrees that the examiners conducted their examination activities efficiently and we appreciate their organized and timely approach during the on-site portion of the review.

  However, we would like to note that the overall exam cycle continues to feel increasingly compressed, as information requests and preparatory activities are now routinely initiated well before the formal start of the examination. For a small, low-risk institution, this extended pre-exam period can create undue burden on staff who must balance early examination preparation with day-to-day operational responsibilities.

  We respectfully request continued consideration of the institution's size and low-risk profile when determining the timing and volume of pre-exam requirements, so that examination efficiency can be maintained without imposing disproportionate administrative strain.
- [*Institution name removed*] Management appreciated the timeline and blocks of time allocated to each area of exam. Activities were thorough. [*Institution name removed*] believes that an exam every 18 months is excessive for our institution size, quality, and complexity. Moving to a 2-year exam cycle would be more beneficial for the institution, which in turn brings reward and more time to serve the farmer/rancher.
- Management was informed there would be a larger number of examiners for this review period to train new examiners. We did find there were a larger number of requests from previous examinations, but this was likely due to the limited experience of the trainees.
- The group felt as if there were too many "back and forth" items at times which strained the ability of key personnel to keep up with workload and not impact customer experiences with the institution.

- The examiners' overlapping and inconsistent information requests led to inefficiencies (asking multiple parties for same information or asking wrong department for materials) and extra work for staff. Better coordination among FCA staff could have improved the process. Despite this, the credit team found the process effective, as they received adequate notice and were able to securely provide the requested material.
- With the various areas audited and different teams working on the exam, it took a little longer than management expected. From the start of the audit work to the close-out call, it was approximately 4.5 months.
- The examination was completed within the expected timeframe, and key areas of risk were addressed. Overall, the examination met its objectives, but some activities could have benefited from greater efficiency.

  The credit review team consisted of 14 examiners and only reviewed 33 loans over an eight-week timeframe, including an on-site review. This is not very efficient compared to our Internal Credit Review teams.

  We also had to contact our Supervisory Official and EIC during the horizontal examination activity compliance review because the team coordinator was not managing team's questions. We received over 50 questions in six days and the majority of the answers were in the documents we submitted, which implied the reviewers were not looking at the information which is frustrating for our staff.
- Due to training during our exam cycle, the exam seemed to drag on for a while. In addition, we received some very vague emails from the examiners (not the EIC) that did not provide a clear discussion on their concerns.
- FCA expended a disproportionate amount of resources to examine an institution of our size and complexity. FCA could become more efficient by leveraging the various audits and reviews already being conducted to help focus exam areas not otherwise reviewed. FCA should consider modernizing their examination process to find efficiencies.
- The examination process was considerably inefficient. Prior to 2020, examinations were completed in a period of 30 days, with two weeks of onsite work and the exam reported their findings within 60 days. However, over the past five years, exams are now four to five months long. Requests, inquiries and interviews are dripped slowly over a long period of time taking countless hours of management's time to address, regroup, redirect attention and resources, and re-address. Management's focus on the daily activities of the institution is completely disrupted over this time while FCA examiners seem to lethargically complete their exam activity. We need FCA to return to a sense of urgency and efficiency in examination process to allow institutions to focus on fulfilling our mission.
- There are times when the institution would expect the examiners to have a better working knowledge of the System, lending, capital management strategies, etc. However, the [*institution name removed*] team feels we invest significant time in educating the examiners.

  In addition, the institution understands the general and historical desires to complete asset reviews on-site (training for new FCA staff, etc.), but due to the geographically dispersed nature of the institution's loan portfolio and the remote nature of the majority of institution staff, on-site reviews are now limited in their ability to support historical intent.

Survey Results: Communications

Statement 6: Communications between the Office of Examination staff and institution staff were clear, accurate, and timely.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	1.5	1.7	1.8	1.6	1.7
2024	1.6	1.6	1.8	1.5	1.6
2023	1.7	1.9	1.8	1.4	1.7

Summary of Comments with Perceived Positive or Neutral Feedback:

These comments reflect that communications between OE staff and institution personnel were clear, accurate, timely, and highly constructive. Institutions described open dialogue, responsiveness, and professional interactions throughout the examination cycle. Respondents appreciated that examiners accommodated staff schedules, provided advance notice of documentation requests, and communicated expectations effectively.

Across institutions, communication was described as a point of strength, with praise for examiners who worked collaboratively with management, audit committees, and boards. Overall, the comments reflect a consistently positive experience and favorable impression of examiner communication.

- The institution concurs with the FCA's statement that communications between the OE staff and our institution's staff were clear, accurate, and timely. We appreciate the open dialogue and responsiveness demonstrated throughout the examination process, which supported an effective and constructive review.
- The OE staff were accommodating of staff schedules and inquiries, communicated effectively, and demonstrated professionalism in their responses. As the scope evolved, some information requests required clarification; however, this was understandable and did not detract from the overall effectiveness of the process.
- Our EIC & Reviewing Official (RO) were very informative with time, schedule, planning, and expectations.
- Clear and effective communication was cited by both FCA and [*institution name removed*] staff. All were in agreement that these communications were very good for both sides.
- Yes, no complaints in this area.
- Communications between the OE staff and institution personnel were generally clear and timely.
- The exam team was professional and timely in all communications.

- Multiple members of our leadership team have scheduled recurring monthly/quarterly update calls with the FCA examiners to ensure the flow of information is clear, accurate and timely. These formal communications have proved to be very effective. Additionally, quarterly update meetings with executive management allow for timely discussion of organization matters and for the FCA to provide management with updates on ongoing examination activities and other agency topics noteworthy of discussion.
- No concerns with the timeliness or accuracy of communication. The list of requested documentation prior to the exam was helpful and provided in advance.
- Good communication occurred before, during and after the exam. A point of strength for the FCA team working on our engagement.
- Yes, overall communication between the examination staff and the institution was very good. Board specifically appreciated the EIC's frequent communication with the Board Chair and Audit Chair, which kept them informed regarding exam activity.
- We appreciate the efforts to include the retiring CEO.
- The examination team and [*institution name removed*] Management meet on a quarterly basis to provide updates on [*institution name removed*] sales, [*institution name removed*] credit quality, [*institution name removed*] operations, [*institution name removed*] infrastructure and technical items, and any legal matters. In addition, the examination team utilizes this time to obtain updates on past discussions and any upcoming FCA activities/interaction. These meetings have been very effective and also helped set an examination scope that was appropriate.
- The exam team [*examiner-identifying information removed*] in particular, was very good in communicating with our Audit Committee, giving suggestions and allowing us to ask questions. Communication was very clear, timely, and accurate per the interpretation of the regulation.
- Communication between examiners and [*institution name removed*] leadership was mostly appropriate.
- Yes. We appreciate our ongoing communication with the exam team.
- The communication was a constant clear exchange of information that supported all parties involved in the exam processes.

Summary of Comments with Perceived Negative Feedback:

Several institutions noted isolated communication challenges involving specific examiners or support staff. Examples included prolonged effort spent readdressing issues that had already been explained, delays tied to individual examiner availability, vague or unclear feedback, and instances where questions or document requests were duplicative, overlapping, or directed to the wrong personnel. These issues appeared to stem from individual examiners or support staff rather than the primary exam team.

- Communications between FCA's staff and our staff was very well coordinated. Management did not experience any issues with communications during the review and for the most part responses were timely and management feedback was appropriately documented in the final report. Additionally, the examiners were efficient at requesting information and circling back with follow-up questions, as needed. However, an extended period was spent addressing questions from [*examiner-identifying information removed*]. That made it difficult to understand the issues they had with our methodology. There was a significant amount of time and focus invested in the [*examiner-identifying information removed*] discussion without any clarity on opportunities for change.
- For the most part, the communication was clear and accurate. The issue here would be the "timely" part, especially where the examiner that was brought in to help with the plan. In a meeting they told the leadership team that they had 2 weeks of vacation coming up and a "side job" that takes up time when asked about reviewing what had been put together for feedback. This was never an issue with the main examiner group...only this individual.
- The EIC, assistant EIC, and supervisor communicated very well. Their support staff did not.
- FCA staff could have more clearly communicated and directed inquiries to the appropriate staff - there were duplicate, overlapping and misdirected requests for documents during the exam process.

Statement 7: Examination communications included the appropriate amount and type of information to help the board and audit committee fulfill their oversight responsibilities.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	1.5	1.7	1.8	1.7	1.7
2024	1.6	1.7	1.8	1.5	1.7
2023	1.6	1.6	1.6	1.8	1.7

Summary of Comments with Perceived Positive or Neutral Feedback:

The comments reflect that institutions found examination communications to be thorough, appropriately detailed, and highly supportive of board and audit committee oversight responsibilities. Respondents emphasized that the information provided—whether through written reports, verbal updates, presentations, or in-person review sessions—was clear, well-structured, and aligned with the needs of governance bodies. Boards and audit committees generally felt well-informed, engaged, and confident in their ability to understand findings, assess risks, and monitor remediation efforts. Communication was described as timely, constructive, and helpful in promoting sound governance practices. Overall, the theme is one of strong satisfaction: examination communications consistently provided the type and amount of information boards and audit committees needed to fulfill their responsibilities effectively.

- The institution agrees that the examination communications included an appropriate amount and type of information to support the Board and Audit Committee in fulfilling their oversight responsibilities. The clarity and completeness of the information provided allowed our governance bodies to remain well-informed and engaged throughout the review process.
- The examination communications were satisfactory, providing the appropriate amount and type of information to enable the Board and Audit Committee to effectively fulfill their oversight responsibilities.
- Level of information to Audit Chair, Committee and Board was appropriate and right sized.
- The new Report of Examination format is a great improvement.
- Again, the in-person review session with the board was most beneficial.

- The examination process provided by FCA is helpful in supporting the audit committee's oversight responsibilities. The feedback and risk-focus of the examiners reinforce our internal efforts and promote sound governance.
- No concerns with the amount or type of information.

- The Board and Audit Committee agree that the issues identified by the FCA were supported by the appropriate amount and type of information needed to fulfill our oversight responsibilities. The Board and Audit Committee are confident that the appropriate remediation actions have been developed and are being implemented.
- The Board received the information they needed. The Board Chair and Audit Chair were invited to participate in the calls, which they appreciated.
- The examiners provided complete and detailed communications in the form of ongoing verbal updates, close-out meetings with the various management teams, a formal readout of results with executive management, a presentation of examination results to the Board, and the written final Report of Examination.
- Agree.
- Yes, communications included the appropriate amount and type of information.
- The exam team provided appropriate amount and type of information regarding the Audit Committee structure and responsibilities. They gave us good suggestions that our Board has been considering for future changes. Examination communicated the appropriate amount and type of information, including some best practices per interpretation of the regulation.
- Our board appreciates the new report format.
- Exam communications appropriately included adequate information helpful to the Board and Audit Committee.
- The report properly reflected the examination findings and led to meaningful dialogue between FCA and the board.
- The communication provided to the Board contained well-structured information that supported them in fulfilling their oversight duties effectively.

Summary of Comments with Perceived Negative Feedback:

The feedback highlights strong end stage communication but notes gaps in ongoing communication during the examination itself. Both organizations viewed the final examination report and meeting as effective for conveying results. However, one organization noted the unclear language about future YBS data collection created confusion about its purpose and regulatory implications.

- The Board felt that the communication at the end was very well prepared and delivered, but there was some lack of communication with the group during the examination process.
- The examination team issued a report which summarized their exam activities and conclusions. The examination team distributed this report and met with [*institution name removed*] Management and the [*institution name removed*] Board to review its contents. This was an effective means to communicate the results of the examination.

We noted that the examination report included a comment regarding [*institution name removed*] future efforts to collect YBS data collection as system enhancements and replacements are realized. The statement acknowledged that [*institution name removed*] is not required to have a YBS program and contained no MRA or observation around the future efforts to collect data; this continues to generate confusion as to why this discussion is in the report of examination and what the inclusion of language is meant to convey from a safety and soundness, regulatory compliance, or mission adherence perspective.

Statement 8: Examiners fairly considered the views and responses of the board and management in formulating conclusions and matters requiring attention.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	1.6	1.6	1.8	1.8	1.7
2024	1.7	1.7	1.6	1.6	1.7
2023	2.0	1.6	2.0	1.6	1.8

Summary of Comments with Perceived Positive or Neutral Feedback:

The comments reflect a theme of constructive, two way dialogue and genuine consideration of board and management perspectives throughout the examination process. Institutions noted that examiners were open, inquisitive, and willing to engage in detailed discussions on key issues, including MRAs, credit matters, timing of evaluations, and interpretations of guidance. Respondents noted that the open discussion contributed to more balanced and well supported examination outcomes. A few comments described an improvement in recent years. The overarching theme is one of fair consideration, active listening, and constructive engagement.

- The institution acknowledges the previously noted concern regarding the MRA outlined in the examination letter in the response above. At the same time, we recognize that examiners provided appropriate opportunities for communication and dialogue throughout the examination process. We also acknowledge that many of those interactions informed and contributed to the final examination results.
- The examiners were all willing to listen. The EIC did a very good job of explaining things prior and throughout the exam.
- The examiners were considerate, thoughtful, and inquisitive during management interviews, demonstrated an interest in understanding management perspectives, and were supportive of the work performed. The Board agrees with Management response stated above.
- Communication with reviewers and feedback was excellent on this review. Examiners were open to discussion and provided constructive criticism.
- We did disagree about an MRA but they were open to hearing our side.
- Agree, some commentary or MRAs may be at a much lower-level detail than normal board reporting. Our EIC and exam team always do an excellent job providing the full details on any MRAs.

- Examiners fairly consider the Board's views and responses for the examiners to consider in formulating their conclusions and recommendations. Conversations held between examiners and certain board members throughout the Examination were effective. The Exam team and EIC had significant discussions with management and appropriately considered their views before finalizing recommendations during the statutory examination. Also, as addressed under Question #2, communication with FCA's legal division improved over the past two examination cycles, and we look forward to continued productive dialogue on significant regulatory issues.
- Yes, there was good communication between the Board and examiners. Also, the examiners did listen and ask questions so that credit staff felt like its perspectives were being considered.
- Examiners took care to ensure that their understanding of topics is correct and that their conclusions were discussed with [*institution name removed*] Management.
- As mentioned above, the exam team was engaging and interested in the thoughts and view of the institution leadership and team members.
- Good dialogue and exchanges occurred between the groups during the work to reflect new information and stances on risk involved.
- Yes, Board and management felt our views and responses were fairly considered. For example, examiners and management had a constructive discussion regarding the timing of credit evaluation. Examiners accepted management's request to wait a few weeks to make a PD determination on a specific borrower under normal underwriting cadence using current information.
- I felt the examiners listened to Board input and gave fair consideration. Examination fairly considered the views and responses of the Board and Management, especially as additional information was provided for MRA area of Lands in Transition.

- We have seen marked improvement by our FCA examiners in this area over the last six years. Open dialogue fosters a mutual understanding and contributes to a balanced and well-supported examination outcome. This collaborative approach is appreciated and reflects professionalism.
- The exam team was very receptive to conversation before finalizing conclusions.
- As an improvement from previous exams, examiners did fairly consider the views and responses of Board and management in formulating conclusions.
- Yes, as noted above, the exam team was open to us providing examples from prior examinations where loans with particular fact patterns were deemed "okay" previously—this allowed meaningful discussions around their current findings and why we felt there was a level of inconsistency in results. This was extremely appreciated.
- The examiners conducted a thorough evaluation, carefully considering key areas that may warrant attention. They made sure all viewpoints were integrated into the decision-making process.
- Our only MRA was a failure to include a required item in the business plan.

Summary of Comments with Perceived Negative Feedback:

The comments below reflect a shared concern about discrepancies between discussions held during the examination and how those discussions were ultimately reflected in the final Report of Examination, and that views and responses were not fully weighed in the final conclusions.

- This was given a 4 due to how the question was phrased. The Board felt that when they were addressed with the findings that it was already in stone and their views/responses were not weighed in them.
- The examiners used more opinions in their responses and views than facts and regulations to support their observations and findings. When management or the Board tried to share an alternate perspective, it was often dismissed or not considered.

- Management and Board's observation on this matter was that on occasion information shared in the meetings or discussed in the exit interviews did not reflect what ultimately appeared in the final report. One example is the tone and emphasis regarding the vulnerability management program issue. In our meetings, we discussed the self-identified issues with our vulnerability tool, [*software name removed*], resulting in many false positives. The institution shared that it was in-process of completing a Request for Proposal to implement a new tool and believed the new tool would assist in correctly identifying actual vulnerabilities. Through the course of the discussion, this was acknowledged and supported by several use case examples. Ultimately, the report implied that the institution was unaware of the vulnerabilities and was doing very little to remediate. We do support the MRA remediation actions as appropriate; however, the tone of the report did not match the tone of the meetings and discussions.

Statement 9: FCS-wide guidance from the Office of Examination was proactive and helpful.

Average Numerical Ratings by FY Quarter

Fiscal Year (FY)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY Average
2025	1.9	1.8	2.2	1.6	1.9
2024	2.0	1.9	2.0	1.9	2.0
2023	2.0	1.6	1.7	2.2	1.9

Summary of Comments with Perceived Positive or Neutral Feedback:

The central theme of these comments is one of appreciation for proactive, well-communicated System-wide guidance, coupled with a desire for continued transparency, collaboration, and clarity as guidance evolves. Respondents valued the timely dissemination of guidance which helped institutions stay aligned with supervisory expectations and emerging risk priorities. Many institutions highlighted that OE's collaborative approach, practical insights, and willingness to engage outside the formal examination cycle contributed meaningfully to their preparedness and overall exam experience. Several also emphasized the value of redlined versions of updated guidance or examination manual changes, noting that such tools made it significantly easier to identify revisions and update internal policies accordingly. While the overall sentiment was strongly positive, a few institutions offered constructive suggestions for enhancing the usefulness of System-wide guidance.

- The institution agrees that the FCS-wide guidance provided by the OE was both proactive and helpful. We appreciate the timely dissemination of information and the clarity of the guidance, which supported our efforts to remain aligned with System expectations and emerging supervisory priorities.
- The guidance provided by the OE was proactive, clear, and responsive. Their practical insights and collaborative approach greatly supported our team, contributing to a smooth, efficient, and well-coordinated examination process.
- Artificial Intelligence has elevated finding FCA guidance allowing for timely research on regulations and/or guidance in question.
- It would be helpful to have red-lined versions of newly revised guidance to help us ensure that the institution and its policies, procedures, and controls remain in compliance with key changes.
- With any change to FCA guidance such as exam manuals we are able to request and receive a redline version, the redline is very helpful in working through updates needed on our end, if needed.

- Management agrees the guidance provided in the oversight plan was informative and provided the information needed to ensure it was clear on the items to be reviewed during this period. The MRAs and observations focused largely on additional governance that was appropriate. There were no comments, or MRAs, that were not beneficial to the overall improvement of the governance framework for activities managed under the purview of the Asset Liability Management Committee. Management felt that what has been published was appropriate.
- FCS-wide guidance from the OE in the form of the annual National Oversight Plan, various informational memorandums, and other formal and non-formal communication are all very helpful in the understanding of direction and requirements. We encourage the FCA to continue to apply a collaborative process in the development of regulatory guidance and refrain from actions that result in regulation through the examination process—circumventing the notice and comment requirements for the establishment of regulatory criteria.
- Overall, OE provides guidance that is useful for us to understand expectations.
- The institution did not have to seek guidance during the review process.
- Communication regarding changes in guidance or new guidance is primarily delivered via subscribed email blasts. This methodology works for the most part. We encourage the FCA to continue to apply a collaborative process in the development of regulatory guidance.
- The overall focus areas provided by the FCA in advance of the exam process is always helpful in preparing.
- Guidance is proactive and helpful. We appreciate the questions and comments that occur outside of the exam, such as in the quarterly meetings. These discussions help us stay on top of regulatory matters as well.
- System wide guidance has been proactive and helpful. The National Oversight Plan is beneficial to the Board and management in our planning process. One suggestion is to proactively include a redline copy of the changes in the email when Exam Manual updates are sent instead of asking institutions to individually request the redline copy.
- I appreciated the proactive nature of our examiners. OE was proactive and helpful.
- The FCS-wide guidance provided by the OE was generally proactive and helpful. We appreciate the red-lined versions of the examination manuals.
- Yes, FCS-wide guidance is helpful.

Summary of Comments with Perceived Negative Feedback:

The comments below indicate that there were occasions where the guidance felt vague or insufficiently detailed, and that policy-related questions requiring input from FCA leadership may have caused significant delays.

- Generally agree though there can be significant delays in receiving responses to questions that are policy-related and require attention from FCA leadership beyond our exam team.
- Somewhat vague at times.

Survey Results: General Questions

Statement 10: What aspect of the examination process did you find most beneficial?

Summary of Comments:

The comments highlight a variety of aspects participants found most beneficial in the examination process. Many cited onsite engagement, direct interaction with examiners, and open, ongoing dialogue as particularly valuable. Respondents noted the benefits of real-time discussions, continuous feedback, and proactive communication, including quarterly update calls and timely notice of information needs.

Additional themes include positive views of collaboration, access to examiner insights, and opportunities to address potential findings during the exam. Respondents also mentioned appreciating recognition of their institution's condition, the ability to pull materials through the exam portal, and discussions on loan scenarios, third-party risk perspectives, and IT-related topics. Overall, the comments reflect a range of elements participants viewed as the most beneficial components of the examination process.

- The institution found the onsite engagement opportunities to be the most beneficial aspect of the examination process. Direct interaction with the examination team allows for clearer communication, real-time discussion of questions or observations, and a more complete exchange of information.

  We also appreciated the continuous feedback opportunities provided throughout the review. Ongoing dialogue helped ensure shared understanding of expectations, supported timely clarification of issues, and contributed to a more effective and collaborative examination process overall.
- The open dialogue and communication with examiners was beneficial to Management and Board.
- Discussion around portfolio concentration risks.
- The partnership that allowed the Board and Management to openly engage and ask for feedback from FCA during the cycle.
- Presentation of the final findings were very clear and concise.
- Our new EIC was very helpful and accommodating.
- The most beneficial aspect of the examination process was the adjustment in scope, which more accurately aligned with the organization's operations. Additionally, the meeting discussions fostered meaningful considerations and insightful dialogue, while proactive communication allowed staff sufficient time to gather and provide information in a timely manner. The examiners were also willing to discuss matters outside the scope of the examination to share their professional insights.
- Management appreciated the constructive dialogue regarding 1) setting debt maturity limits, and 2) limiting the size of the derivative hedge portfolio to control liquidity risk. Additionally, the communication protocols established between the institution and FCA provided consistent and expedited flow of information.

- We maintain a very good relationship with FCA and are proactive in bringing issues to the attention of our EIC and examination team before making key decisions where regulations might be gray or where we need an interpretation of the regulations to ensure that we remain in compliance. We appreciate our EIC, Manager, and examination team and their willingness to help us answer these proactive questions as well as questions when an issue has already occurred. We also appreciate their insights, through quarterly Financial Institutions Rating System (FIRS) calls, examination activities, and generally, to help us improve our institution. We maintain a culture of continuous improvement and value FCA's perspective, frequently incorporating even verbal observations into action plans and/or strategic business plan objectives. Findings and MRAs have merit and we take corrective action seriously to resolve any matters identified.
- The in-person summary of the examination between FCA and the board at the institution.
- We appreciate the feedback in the form of recommendations and the observations noted that did rise to MRA level.
- Very good communication with the EIC.
- In the case of any MRA or recommendation the FCA staff walked through not only changes needed but interpretation of the regulations to help with further understanding of any reasoning behind corrections needed. If our institution had any questions, our EIC would always provide clarity or escalate further at FCA to get us a fully rounded answer.
- Opportunities to collaborate on the various risks facing the organization and the Farm Credit System as a whole is the most beneficial aspect of the examination process.
- The institution appreciated the FCA recognition that we are operating in a safe and sound manner.
- Examiners and the EIC were great to work with and clear in communication.
- My EIC was helpful in taking our questions to their superior and advocating for us.
- The timely notice of information needed well in advance of the exam process. The willingness of the exam team to have appropriate dialogue around potential findings to help maximize the value of the exam to leadership.

- Good collaboration and discussion with examination staff on potential findings, which allowed those items to be corrected concurrent with the examination instead of being made MRAs, which prevented unnecessary follow-up.
- We find value in the quarterly checkpoints between FCA and management where we connect with our EIC and discuss organizational updates. During the exam, we appreciate opportunities to discuss findings before they are finalized.
- Dialogue on the portfolio and FCA's third party view of the risk in our portfolio.
- Discussions with examination staff were helpful. We appreciate the open and proactive communication during the exam cycle and outside of it.
- The examiners conducted the examination professionally.
- Appreciate that all three of the examiners were at the Board meeting in person.
- Application of a differential exam scope appropriate for the size, complexity, and risk profile of an institution is very beneficial. The Board appreciates FCA's approach to examining a small, low risk institution. Also, the on-site visit continues to be valuable.
- I found it very helpful to our Board to have quarterly conference calls with [*examiner-identifying information removed*], allowing us to ask questions and address issues throughout the year. The most beneficial examination process was time and detail provided around MRAs.
- Communication during the exam was very open and timely.
- The on-site aspect and presence was very helpful. This gave management a chance to speak directly with exam personnel.
- The most beneficial aspect of the examination process was the open and collaborative communication between the examiners and institution staff. This allowed for real-time clarification of expectations, timely resolution of questions, and a shared understanding of key risk areas. The examiners' insights supported continuous improvement and reinforced our risk management practices.
- We found it beneficial that the majority of the materials were able to be pulled from the portal for the exam.
- The relationship with the EIC is very professional and provided feedback throughout the exam.
- FCA communication to the Board was clear. Board Chair and Audit Committee Chair participation in quarterly FIRS calls are appreciated.
- Benchmarking our institution's practices and strategies against outside expectations and our peers.
- The condensed reporting format is helpful.
- Overall, the FCA examination process for IT was beneficial in providing comprehensive governance across many different areas, including discussions around the topic of AI, both from a system perspective and across financial services. We appreciate the thoroughness of the examination process and look forward to demonstrating meaningful progress and resolution of MRAs in the next examination.
- The most helpful part of the examination was the discussions around potential loan scenarios—even that which occurred long after the examination was complete.
- The constant communication was beneficial.
- Face-to-face interactions with examiners were extremely helpful to the board.

Statement 11: What aspect of the examination process did you find least beneficial?

Summary of Comments:

The comments identify several aspects that respondents found least beneficial in the examination process. Common points include the overall length of the examination cycle, the compressed timing between exams, and the significant time and resource burden placed on small institutions. Several respondents noted vague or unclear communications, duplicate or repeated requests, and difficulty following certain examiner-led discussions. Some cited challenges related to multiple exams in a single year, extended exam durations, and the amount of work required to respond to inexperienced examiners' questions. Isolated concerns referenced focus areas from prior cycles, delays in receiving answers, and review of topics previously examined.

Multiple respondents stated no concerns or reported no aspects they found unhelpful, noting that the process was generally well structured or beneficial overall. A few comments mentioned specific issues, such as findings on older loans, confusion related to YBS inquiries, or limited inquiry into certain areas such as capital planning. Overall, the responses reflect a mix of identified challenges and instances where survey participants reported no least beneficial aspects.

- The institution found the overall length of the examination cycle to be the most challenging aspect of the process. While we appreciate the thoroughness of the review, the timing between examinations has continued to become more compressed, with preparation and information requests beginning earlier with each examination.
- There were no specific aspects of the examination process that stood out as least beneficial. Overall, the process was well structured and aligned with the organization.
- The exam cycle could be extended as regulatory exam burden continues to be difficult for small institutions to manage.
- Just the fact of having 3 exams in one calendar year.
- The complexity of the examination for a very small institution creates a heavy lift and strains resources and can create situations of impacting customer experience.
- There were large portions of the conversations led by [*examiner-identifying information removed*] that management did not find useful or found it difficult to follow the purpose or expectations for the conversations. There were also cases where requests for the same materials were made multiple times by the exam team that created unnecessary work.
- During preceding examination cycles, FCA's focus on borrower eligibility and similar entity lending was viewed as the least beneficial aspect of the examination process. Our organization's Board and management have established substantial control processes and taken proactive measures to manage reputation/political risk and fully support our eligibility determinations. Accordingly, we encourage the FCA to remain focused on safety and soundness issues and continuing our dialogue on innovation and furthering our mission to serve agriculture and rural America.

- None.
- None noted.
- The length and vague emails from a couple of the examiners.
- ??? can't think of anything.
- None at this time.
- As noted in question #7, FCA's questions related to YBS and its relevance for the institution did generate some confusion with management.
- Having a finding on loans that had been originated as early as 2012 and some that had been previously reviewed by the FCA. FCA's response of "we can't catch everything every time," was inadequate in my opinion.
- No specific concerns.
- Questions to examination staff sometimes took several days to be answered, presumably due to staff needing to involve other FCA employees several levels above them.
- Nothing to note.
- Review of standards of conduct policies given we had done a horizontal review recently.
- The length of time the exam took. See comment for #5.[4]
- No aspects of the examination process were unhelpful.
- Time spent responding to questions from inexperienced members of the exam team, though this was not a significant issue.
- I didn't find any part of the process non-beneficial. I think the examination process gave us good insights that our institution can implement going forward. Least beneficial was time spent on MRA that makes up a very small portion of the institution's portfolio; however, the time spent will help establish better procedures.
- Amount of time required to complete the exam.
- The least beneficial aspect of the examination process was the occasional lack of clarity in certain documentation requests and expectations. At times, additional follow-up was needed with the Horizontal Examination Activity Compliance team to fully understand the scope or intent of specific inquiries, which led to inefficiencies. Enhancing this aspect would improve preparation and reduce the need for clarification during the examination.
- The amount of time and resources required of our team to address all the aspects of the exam.
- The exam lasted for six months from beginning to reporting. This inefficiency is greatly disruptive to the institution.
- The lack of inquiry on the capital plan and strategic direction of the institution. Our new EIC has already expressed more interest in these matters than the prior examination cycle in totality.
- We found all the areas of the examination to be beneficial.
- None that I would classify as not beneficial.

[4] [Comment added for reference.] With the various areas audited and different teams working on the exam, it took a little longer than management expected. From the start of the audit work to the close-out call, it was approximately 4.5 months.

Statement 12: Please provide any comments from the Board as a whole regarding the examination process not provided in the preceding responses.

Summary of Comments:

The comments reflect that the institutions were generally pleased with the examination process, including the results, communication, and interaction with FCA. Many noted that the process was efficient, professional, and beneficial. Several comments highlight appreciation for FCA's recognition of the institution's size, professionalism, and the opportunity for clear dialogue, including phone calls, in-person meetings, and presentations. Some institutions valued the chance to discuss specific portfolios or topics in depth and expressed appreciation for the examiners' willingness to listen and engage.

- The Board was pleased with the exam results and communication from FCA. This reinforces the commitment to our mission to serve farmers/ranchers and the desire to pursue excellence in all we do.
- The board felt the examination process was beneficial and conducted very efficiently.
- We appreciate FCA's recognition of our institution as a small institution and the regulatory relief that the designation affords. While the institution makes every effort to meet or exceed expectations of our Stakeholders, including FCA, our size and limited resources are inherently limiting factors. This means that our institution may, from time to time, implement a policy, process, or control that is designed to comply with regulatory guidance but may look or feel a bit different than a larger institution with substantially more resources available.
- The Board appreciates the EIC, assistant, and supervisor's willingness to listen and understand the Board's involvement in our participation portfolio. This portfolio is discussed in-depth during our board meetings.
- We appreciate the time spent on phone calls to answer questions and clarify requests rather than having to ask all questions through emails. We did feel FCA was here to help and talk through some of the recommendations.
- The Chairman of the institution's Board of Directors agreed to allow the Audit Committee Chairman to review and discuss this survey with Management prior to its submission. Based on the timing of the survey release and the requested due date, a discussion on the responses amongst the full Board was not possible. However, the survey will be appropriately discussed as part of the [*month removed*] 2025 Board Meetings, specifically with the Audit Committee, and a report to the Board as a whole. The Audit Committee Chairman concurs with Management's comments.
- The FCA presentation to the board was clear and concise and allowed ample time for questions and discussion.
- It was an efficient and effective process and we thought the exam team did a respectable job. Also, appreciated the interaction with the Board.

- While a farm background is not necessary for examiners to be successful in their work at FCA, it was encouraging to see that the examination team was comprised of members who either grew up in agriculture or have a passion for agriculture. This common thread facilitated communication between the exam team and the institution Board and management. If possible, the institution would like to keep the same examiners for at least 2 - 3 cycles.
- Our Board found the examination process to be beneficial to our institution. The courteous, professional approach by [*examiner-identifying information removed*] and their team provided great guidance to our Audit Committee.
- Our exam team was very cordial and professional. They communicated often and appropriately.
- Overall, from the perspective of the board, the exam process was administered well and overall extremely smooth for the [*institution name removed*] staff. We appreciate the meeting in person in [*month removed*] and the overview of the results in [*month removed*].
- As a whole, the Board was satisfied with the exam.
- We appreciate the exam process and the feedback received. We value the relationship we have with our regulator.
- The board appreciates the examination process and the dialogue with FCA. We have a great working relationship and respect for the value they can provide to institutions.
- The Board appreciates the efforts made to align the examination with regulatory standards. All communications with FCA are instrumental in supporting the Board and management in effectively mitigating potential risk.
- The Board appreciated the eagerness of the examiners to work with us and celebrated with us on our move out of special supervision. Every Board member appreciated the efforts made by examiners to congratulate us on improvements.
- The Board viewed the examination team as professional and reasonable.

Summary of Comments with Perceived Negative Feedback:

Some respondents noted challenges with certain examiner interactions, including conversations that were hard to follow or repeated information requests. Others mentioned concerns about specific supervisory items. A few respondents raised broader considerations related to regulatory burden, examination structure, or communication timing. At the same time, several comments expressed appreciation for the professionalism of the process, constructive dialogue with examiners, and the opportunity to provide feedback. Overall, the feedback includes both affirming remarks and recommendations for refining aspects of the examination experience.

- Members of our team have shared that a member of the FCA exam team made some less-than-professional comments. While we understand that opinions and conversations might become strained during an exam, we at [*institution name removed*] strive to ensure a culture of professionalism both internally and externally. We expect our team members to be respectful of others and their opinions, and we also expect that from our “Third-Party" auditors.

- There were large portions of the conversations led by [*examiner-identifying information removed*] that management did not find useful or found it difficult to follow the purpose or expectations for the conversations. There were also cases where requests for the same materials were made multiple times by the exam team that created unnecessary work.
- While the FCA must fulfill its role as the prudential regulator of the Farm Credit System, it should strongly consider the effect of increasing regulatory burden on the institution and its members and its ability to fulfill the cooperative mission. Excessive regulatory demands can strain resources and hinder our ability to innovate and grow. Finding a balance that allows us to meet regulatory standards and the needs of investors and other stakeholders without compromising our operational efficiency is vital.
- We recommend the following: More frequent rotation of EICs. Greater emphasis on a pre-exam risk assessment to drive examination scope and focus. Examiners should review this with the management team and Board to set expectations for the examination timeline. The OE should review exam timelines and set dates and expectations for examination teams to efficiently complete exams.
- MRA regarding board reporting of Loan Underwriting Standards exceptions does not help us govern the institution.
- We appreciate the professionalism of the examination process and the willingness of FCA examiners to engage with both management and the board. The open dialogue and thoughtful feedback have reinforced our oversight responsibilities and strategic direction. We also value the examiners' openness to understanding how certain System-wide efforts may apply differently to smaller institutions. Continued communication around emerging risks and System-wide themes will further enhance the value of the process.

  We are always appreciative and receptive to constructive feedback and observations that support the strength and stability of [*institution name removed*]. We also value the opportunity to provide input on the examination process. The accuracy and validity of the feedback requested by this survey would improve if it was administered soon after the review and examination report presentation are completed while the process is still fresh.

Overview of Comments with Perceived Negative Feedback

The OIG separately lists comments with any perceived negative feedback for survey statements 1-9 and 12 in this report. (Statement 10 asks about the most beneficial aspect of the examination process and responses to that question are generally positive comments. Similarly, Statement 11 asks about the least beneficial aspect of the examination and responses to that question are generally negative.) Below is statistical information on the perceived negative comments provided by the 41 institutions that responded to the survey for FY 2025. Twenty-four institutions (59%) submitted no comments perceived as negative. Seven institutions (17%) submitted one or two negative comments in their narrative responses. Five institutions (12%) submitted three to four negative comments. Four institutions (10%) submitted five or more negative comments. One institution provided no comments.

Number of Institutions Providing Perceived Negative Comments

Number of Negative Comments Provided	Number of Institutions	Percentage of Institutions
No Comments	1	2%
0	24	59%
1-2	7	17%
3-4	5	12%
5 or more	4	10%
Total	41	100%

Table of Numerical Ratings

The table below provides FY 2025 cumulative data for the numerical ratings for survey statements 1-9. (Statements 10-12 are not numerically rated.) OIG sent surveys to 47 System institutions and received 41 responses. The overall average rating for the survey statements was 1.8; 89.4% of the ratings were either "completely agree" (1) or "agree" (2); and 1.9% of the ratings were either "disagree" (4) or "completely disagree" (5).

Number and Percentage per Rating Category

Statement #	Completely Agree (1)	Agree (2)	Neither Agree nor Disagree (3)	Disagree (4)	Completely Disagree (5)	Does Not Apply (6)*	Avg. Numerical Rating
1	11 (27%)	25 (61%)	5 (12%)	0	0	0	1.9
2	14 (34%)	23 (56%)	3 (7%)	1 (2%)	0	0	1.8
3	10 (24%)	24 (59%)	1 (2%)	1 (2%)	0	5 (12%)	1.8
4	26 (63%)	15 (37%)	0	0	0	0	1.4
5	14 (34%)	17 (41%)	6 (15%)	3 (7%)	1 (2%)	0	2.0
6	16 (39%)	23 (56%)	2 (5%)	0	0	0	1.7
7	14 (34%)	25 (61%)	1 (2%)	0	0	1 (2%)	1.7
8	16 (39%)	22 (54%)	2 (5%)	1 (2%)	0	0	1.7
9	9 (22%)	26 (63%)	5 (12%)	0	0	1 (2%)	1.9
Total	**130**	**200**	**25**	**6**	**1**	**7**	**1.8**

*Ratings of "Does Not Apply" (6) were not included in average numerical ratings.

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