

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Board Member
Glen R. Smith, Board Member



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
February 14, 2019**

These minutes reflect the business transacted at the February 14, 2019, Regular Meeting of the Farm Credit Administration Board (FCA Board) pursuant to the Government in the Sunshine Act, 5 U.S.C. § 552b, and the regulations of the Farm Credit Administration (FCA) adopted thereunder.

The FCA Board meeting was held at the FCA office in McLean, Virginia, beginning at 9:00 a.m. and concluding at 10:17 a.m. Members of the Board present were:

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Member
Glen R. Smith, Member

The above named constitute the full Board.

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

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

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

Mr. Hall moved to adopt the Agenda as published.

Mr. Smith seconded the motion.

There being no further discussion, **Board Chairman Tonsager** called the question.

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

Mr. Smith noted that the Agenda *did* include portions of the meeting that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that meeting be closed as shown on the Agenda.

Mr. Hall seconded the motion.

There being no further discussion, **Board Chairman Tonsager** called the question.

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

OPEN SESSION

Approval of Minutes

Minutes for January 10, 2019 Regular Board Meeting (BM-14-FEB-19-01)

Mr. Hall moved to approve the minutes for the January 10, 2019, FCA Regular Board Meeting.

Mr. Smith seconded the motion.

There being no further discussion, **Board Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-14-FEB-19-01)**

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

New Business

Proposed Rule – Criteria to Reinstate Non-Accrual Loans (BM-14-FEB-19-02)

Ryan Leist of the **Office of Regulatory Policy (ORP)**, and **Laura McFarland** of the **Office of General Counsel (OGC)** presented the Proposed Rule – Criteria to Reinstate Non-Accrual Loans.

Board Chairman Tonsager open the discussion for questions by the board.

Board Chairman Tonsager asked if there was any further discussion and asked staff to provide their recommendation. Staff provided their recommendation.

Board Chairman Tonsager called for a motion on the staff's recommendation.

Mr. Smith moved to approve the Proposed Rule – Criteria to Reinstate Non-Accrual Loans as recommended by staff.

Mr. Hall seconded the motion.

Board Chairman Tonsager asked if there was any further discussion.

There being no further discussion, **Board Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-14-FEB-19-02)**

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

**Advance Notice of Proposed Rulemaking - Young, Beginning, and Small Farmers and Ranchers (YBS)
(BM-14-FEB-19-03)**

Sal Iannetta of **ORP** and **David Grahn** of **OGC** presented the Young, Beginning, and Small Farmers and Ranchers; Request for Comment.

Board Chairman Tonsager open the discussion for questions by the board.

Board Chairman Tonsager asked if there was any further discussion and asked staff to provide their recommendation. Staff provided their recommendation.

Board Chairman Tonsager called for a motion on the staff's recommendation.

Board Chairman Tonsager thanked the workgroup and directed the **Secretary** to attach his statement regarding the action item. (The statement is attached as Exhibit E.)

Mr. Hall likewise thanked the workgroup and noted this action and information gathered should not only help in YBS efforts, but in other areas involving the Farm Credit System. He stated he looked forward to the input received by the Farm Credit System and others.

Mr. Smith affirmed the Chairman's remarks noting it was a great day for YBS and for the FCS in beginning a new initiative and emphasis on the YBS program. He thanked the workgroup of Sal Iannetta, David Grahn, Jeremy D'Antoni, Mike Stokke and Dan Fennwald for moving swiftly in direct response to the board's wishes and in coordination with COO Hoffman. He added YBS lending is typically not efficient lending, characterized by smaller loans, the need for cooperation with other agencies to mitigate risk, high loan officer input and potentially higher risk. But it is the right thing to do, that is clearly within our mission. More importantly it is just sound business practice to aggressively cultivate the FCS borrower of tomorrow.

Mr. Hall moved to approve the Advance Notice of Proposed Rulemaking – Young, Beginning, and Small Farmers and Ranchers as recommended by staff.

Mr. Smith seconded the motion.

Board Chairman Tonsager asked if there was any further discussion.

There being no further discussion, **Board Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-14-FEB-19-03)**

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

CLOSED SESSION

Board Chairman Tonsager noted that this was a Closed Session and ensured that nonessential staff were not in the room so the Board could meet in Closed Session with the Office of Secondary Market Oversight.

Board Chairman Tonsager convened the closed session of the meeting at 9:36 a.m. and instructed the **Secretary** to activate the electronic recording device so that the proceedings of the closed session were properly recorded as required by the Government in the Sunshine Act.

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

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

Office of Secondary Market Oversight Periodic Report

Bruce Hudson and **Jeremy Del Moral** of the **Office of Secondary Market Oversight** presented the OSMO Periodic Report.

Board Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion.

ADJOURNMENT

There being no further business to come before the Board, **Board Chairman Tonsager** indicated he would entertain a motion to adjourn the meeting.

Mr. Smith moved that the meeting be adjourned.

Mr. Hall seconded the motion.

Board Chairman Tonsager called the question.

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

The meeting adjourned at 10:17 a.m.

NOTATIONAL VOTE ACTIONS

There were seven notational vote actions approved by the FCA Board from January 10, 2019, through February 13, 2019 as follows:

Item Number	Action Date	Voting Results	Subject
NV 19-01	01/11/2019	Approved	Investment Request from CoBank, ACB to Invest in taxable bonds up to \$20 million to be issued by a hospital in rural Wisconsin, subject to certain conditions.
NV 19-02	01/11/2019	Approved	Investment Request from Compeer Financial, ACA, to Invest in taxable bonds up to \$22.5 million to be issued by a hospital in rural Wisconsin, subject to certain conditions.
NV 19-03	01/11/2019	Approved	Final Rule regarding Inflation Adjustments to Civil Money Penalties
NV 19-04	01/11/2019	Approved	Approval for Reallocation of Funds within the Office of Agency Services as Required by Policy Statement 64
NV 19-05	01/16/2019	Approved	Reschedule the April 11, 2019, Board Meeting to Tuesday, April 9, 2019, at 9:00 a.m.
NV 19-06	01/22/2019	Approved	Authorization to Modify the Bank-Only Reporting Format for Fiscal Years 2018 and 2019
NV 19-07	02/05/2019	Approved	Flood Insurance – Final Rule to implement the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012.

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the Farm Credit Administration Board held on February 14, 2019.

_____/s/
Dallas P. Tonsager
Board Chairman and Chief Executive Officer

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

Approved: March 14, 2019

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
February 14, 2019**

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Board Member
Glen R. Smith, Board Member

OFFICE	OPEN SESSION	CLOSED SESSION
Office of the Board		
Aultman, Dale	X	X
Kramp, Kevin	X	X
Morris, James	X	X
Batta, Todd	X	X
Lopez, Carmen	X	
Roque-Brehm, Awilda	X	
Calhoun, Gaye	X	
COO		
Hoffman, William	X	X
OIT		
Golley, Jerald	X	X
OCPA		
Stokke, Michael	X	X
DeLancy, Toni	X	
Middleton, Russell	X	X
OSMO		
Rea, Laurie	X	X
Hudson, Bruce	X	X
Connor, Joe	X	X
Del Moral, Jeremy	X	X
Bravenec, Bill	X	X
Greenlee, Angela	X	X
OGC		
Rawls, Charles	X	X
Donner, Mary Alice	X	
Strickland, Joy	X	X
McFarland, Laura	X	
Grahn, David	X	
OE		
Coleman, Robert	X	X
OIG		
Laguarda, Wendy	X	X
Miller, Kevin	X	X

OFFICE	OPEN SESSION	CLOSED SESSION
ORP		
Van Meter, Gary	X	X
Mardock, Barry	X	X
Leist, Ryan	X	
D'Antoni, Jeremy	X	X
Iannetta, Sal	X	X
Gibbs, Paul	X	
Johansen, Mark	X	X
EEOI		
Burlew, Thais	X	
OCFO		
Smith, Stephen	X	X
Gandy, Doug	X	X
Cabrera, Victoria	X	
OAS		
Bell, Vonda	X	X
FCSIC		
Rubin, Howard	X	X
Powalski, Lynn	X	X
GENERAL PUBLIC	4	N/A

Farm Credit Administration

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



**PUBLIC ANNOUNCEMENT OF
MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT**

**Farm Credit Administration Board
Regular Meeting
February 14, 2019**

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

Date and Time: The regular meeting of the Board will be held February 14, 2019. The meeting is scheduled to be held at the office of the Farm Credit Administration in McLean, Virginia, from 9:00 a.m. until such time as the Board may conclude its business.

Address: Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090. Submit attendance requests via e-mail to VisitorRequest@FCA.gov. See SUPPLEMENTARY INFORMATION for further information about attendance requests.

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

Supplementary Information: Parts of this meeting of the Board will be open to the public (limited space available) and parts will be closed. Please send an e-mail to VisitorRequest@FCA.gov at least 24 hours before the meeting. In your e-mail include: name, postal address, entity you are representing (if applicable), and telephone number. You will receive an e-mail confirmation from us. Please be prepared to show a photo identification when you arrive. If you need assistance for accessibility reasons, or if you have any questions, contact Dale L. Aultman, Secretary to the Farm Credit Administration Board, at (703) 883-4009. The matters to be considered at the meeting are:

OPEN SESSION

Approval of Minutes

- 1 January 10, 2019

New Business

- 2 Proposed Rule - Criteria to Reinstate Non-Accrual Loans
- 3 Advance Notice of Proposed Rulemaking – Young, Beginning, and Small Farmers and Ranchers

Closed Session

- 4 OSMO Periodic Report¹

February 6, 2019
Date

/s/
Dale L. Aultman
Secretary to the Board

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

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for January 10, 2019 Regular Board Meeting

BM-14-FEB-19-01

Effective Date: February 14, 2019

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for January 10, 2019, Regular Board Meeting as submitted.

DATED THIS 14th DAY OF FEBRUARY 2019

BY ORDER OF THE BOARD

/s/
Dale L. Aultman
Secretary to the Board

**Statement by FCA Board Chairman Dallas Tonsager
Advance Notice of Proposed Rulemaking - YBS
February 14, 2019 FCA Board Meeting**

I started my career as a dairy farmer back in 1976. While I've worn several hats in my career, at my core I am a farmer. Farming has offered me a number of exciting and rewarding opportunities. But I know that it's also a tough business - particularly for young, beginning and small farmers.

That's why I'm excited that the agency is taking a step forward toward modernizing the existing young, beginning and small farm regulation. The existing regulation is 20 years old and a lot has changed in the agriculture industry over that time. I believe this process may lead to improved efficiency in reporting and disclosure of YBS information. And I believe modernizing the YBS regulation will help provide Congress and other stakeholders the most accurate view of the System's quantitative and qualitative work to encourage the next generation to become farmers and ranchers.

I want to thank staff for their work on this Advanced Notice of Proposed Rule Making (ANPRM). This is an important first step in the process. I look forward to reviewing the public comments we receive from stakeholders on this ANPRM. Thanks again for you and the rest of the teams work on this.

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

**Advance Notice of Proposed Rulemaking – Young, Beginning, and Small
Farmers and Ranchers**

BM-14-FEB-19-03

Effective Date: February 14, 2019

THE FCA BOARD HEREBY:

- Approves the Advance Notice of Proposed Rulemaking that requests public comment on ways for FCA to improve the collection, evaluation, and reporting of FCS data regarding Farm Credit System's mission to provide credit and services to young, beginning, and small farmers, ranchers, and producers or harvesters of aquatic products; and
- Authorizes staff to make any technical or grammatical changes to the Notice that may be necessary prior to publication in the *Federal Register*.

DATED THIS 14th DAY OF FEBRUARY 2019

BY ORDER OF THE BOARD

/s/
Dale L. Aultman
Secretary to the Board

Farm Credit Administration

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



CERTIFICATE OF CLOSED MEETING

The General Counsel, in accordance with the Government in the Sunshine Act, 5 U.S.C. § 552b(f)(1), hereby certifies that the Farm Credit Administration Board regular meeting of February 14, 2019, was properly closed to the public on the basis of the exemption set forth below:

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

February 14, 2019
Date

/s/
Charles R. Rawls
General Counsel