

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



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
February 13, 2020**

These minutes reflect the business transacted at the February 13, 2020, 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 10:31 a.m. Members of the Board present were:

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

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 two members of the general public. (A list of staff attendees is attached as Exhibit A.)

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

Chairman Smith provided a statement regarding FCA's ranking in the federal government's Best Places to Work survey. FCA ranked second among small agencies, up from fourth place last year. (A copy of the statement is attached as Exhibit B.)

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

Mr. Hall moved to adopt the Agenda as published.

Chairman Smith seconded the motion.

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

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

Mr. Hall 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.

Chairman Smith seconded the motion.

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

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

OPEN SESSION

Approval of Minutes

Minutes for January 9, 2020 Regular Board Meeting (BM-13-FEB-20-01)

Mr. Hall moved to approve the minutes for the January 9, 2020, FCA Regular Board Meeting.

Chairman Smith seconded the motion.

There being no further discussion **Chairman Smith** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. (BM-13-FEB-20-01)

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

New Business

Proposed Rule: Tier 1/Tier 2 Capital Framework - Clarifying Corrections and Revisions (BM-13-FEB-20-02)

Jeremy Edelstein of the **Office of Regulatory Policy**; and **Mary Alice Donner** and **Becky Orlich** of the **Office of General Counsel** presented the Proposed Rule: Tier 1/Tier 2 Capital Framework - Clarifying Corrections and Revisions.

Chairman Smith open the discussion for questions by the Board.

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

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

Mr. Hall moved to approve the Proposed Rule: Tier 1/Tier 2 Capital Framework - Clarifying Corrections and Revisions as recommended by staff.

Chairman Smith seconded the motion.

Chairman Smith asked if there was any further discussion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. (BM-13-FEB-20-02)

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

**Final Rule: Criteria to Reinstate Non-Accrual Loans
(BM-13-FEB-20-03)**

Ryan Leist of the **Office of Regulatory Policy**, **Vickie Cosentino** of the **Office of Examination**, and **Laura McFarland** of the **Office of General Counsel** presented the Final Rule: Criteria to Reinstate Non-Accrual Loans.

Chairman Smith open the discussion for questions by the Board.

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

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

Mr. Hall moved to approve the Final Rule: Criteria to Reinstate Non-Accrual Loans as recommended by staff.

Chairman Smith seconded the motion.

Chairman Smith asked if there was any further discussion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. (BM-13-FEB-20-03)

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

**Final Rule: Eligibility Criteria for Outside Directors
(BM-13-FEB-20-04)**

Darius Hale of the **Office of Regulatory Policy** and **Nancy Tunis** of the **Office of General Counsel** presented the Final Rule: Eligibility Criteria for Outside Directors.

Chairman Smith open the discussion for questions by the Board.

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

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

Mr. Hall moved to approve the Final Rule: Eligibility Criteria for Outside Directors as recommended by staff.

Chairman Smith seconded the motion.

Chairman Smith asked if there was any further discussion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. (BM-13-FEB-20-04)

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

CLOSED SESSION

Chairman Smith 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.

Chairman Smith convened the closed session of the meeting at 9:35 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.

Chairman Smith 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 H.)

Office of Examination Quarterly Report

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

Chairman Smith 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, **Chairman Smith** indicated he would entertain a motion to adjourn the meeting.

Mr. Hall moved that the meeting be adjourned.

Chairman Smith seconded the motion.

Chairman Smith called the question.

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

The meeting adjourned at 10:31 a.m.

NOTATIONAL VOTE ACTIONS

There were four notational vote actions approved by the FCA Board from January 9, 2020, through February 12, 2020 as follows:

Item Number	Action Date	Voting Results	Subject
NV 20-01	01/16/2020	Approved	Final Rule on Inflation Adjustment to Civil Money Penalties
NV 20-02	01/16/2020	Approved	FCA Board Policy Statement on the Oversight of the Federal Agriculture Mortgage Corporation
NV 20-03	01/28/2020	Approved	AgriBank request to issue a charter for new service corporation (SunStream Business Services)
NV 20-04	02/10/2020	Approved	Notice and Request for Comment: Interagency Questions and Answers Regarding Flood Insurance

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 13, 2020.

_____/s/_____
 Glen R. Smith
 Board Chairman and Chief Executive Officer

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

Approved: March 12, 2020

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
February 13, 2020**

Glen R. Smith, Board Chairman / CEO

Jeffery S. Hall, Board Member

OFFICE	OPEN SESSION	CLOSED SESSION
Office of the Board		
Aultman, Dale	X	X
Kramp, Kevin	X	X
Morris, James	X	X
Roque-Brehm, Awilda	X	
Calhoun, Gaye	X	
COO		
Coleman, Robert	X	X
OIT		
Golley, Jerald	X	X
OCPA		
Stokke, Michael	X	X
Middleton, Russell	X	X
OGC		
Rawls, Charles	X	X
Donner, Mary Alice	X	X
Tunis, Nancy	X	X
McFarland, Laura	X	
Orlich, Becky	X	
Agans, Autumn	X	
OE		
Paulsen, Roger	X	X
Cosentino, Vickie	X	X
McCann, Michelle	X	X
OIG		
Laguarda, Wendy	X	X
Miller, Kevin	X	X
OSMO		
Rea, Laurie	X	X
Connor, Joe	X	X
Del Moral, Jeremy	X	X
Hudson, Bruce	X	X
ORP		
Grahn, David	X	X
Edelstein, Jeremy	X	X
Leist, Ryan	X	
Hale, Darius	X	
Gibbs, Paul	X	X

OFFICE	OPEN SESSION	CLOSED SESSION
OCFO		
Smith, Stephen	X	X
Gandy, Doug	X	X
Cabrera, Victoria	X	
OAS		
Bell, Vonda	X	X
Clark, Patrina	X	X
FCSIC		
Wynn, Wade	X	
GENERAL PUBLIC	2	N/A

**STATEMENT
GLEN R. SMITH, BOARD CHAIRMAN
FARM CREDIT ADMINISTRATION BOARD MEETING
FEBRUARY 13, 2020**

I was pleased to learn that the Farm Credit Administration was again ranked as one of the federal government's best places to work among small agencies in the federal government. We moved up from fourth place in 2018 to second place in 2019. I was especially proud to learn that, in the subcategory of support for diversity, we ranked #1 among small agencies.

The rankings for the Best Places to Work in the Federal Government are published each year by the Partnership for Public Service, "a nonprofit, nonpartisan organization that strives for a more effective government for the American people." With its partners, the organization annually evaluates data from the Federal Employee Viewpoint Survey to determine the best places to work in the federal government.

Together with Robert Coleman, Patrina Clark, and Mike Beckmann, I was honored to attend the awards breakfast last month and to receive a plaque on behalf of FCA employees. The plaque now hangs in the entrance of the board suite in McLean. And over the next few months, Robert and I will deliver identical plaques to field offices.

I want to stress that this award belongs to all FCA employees because it reflects the hard work of employees throughout the agency to cultivate a productive and enjoyable workplace. I look forward to continuing to work with each of you to provide the executive leadership that is vital to fostering and maintaining a workplace we can all feel good about.

Let's get that number one spot!

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 13, 2020**

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 13, 2020. 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 Aultman, Secretary to the Farm Credit Administration Board (703) 883-4009. TTY is (703) 883-4056.

Supplementary Information: This meeting of the Board will be open to the public (limited space available). Please send an e-mail to VisitorRequest@FCA.gov 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 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 9, 2020

New Business

- 2 Proposed Rule: Tier 1/Tier 2 Capital Framework - Clarifying Corrections and Revisions.
- 3 Final Rule: Criteria to Reinstate Non-Accrual Loans.
- 4 Final Rule: Eligibility Criteria for Outside Directors.

CLOSED SESSION

- 5 Office of Secondary Market Oversight Periodic Report¹

/s/
Dale Aultman
Secretary to the Board

February 3, 2020
Date

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 9, 2020

BM-13-FEB-20-01

Effective Date: February 13, 2020

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for January 9, 2020.

DATED THIS 13th DAY OF FEBRUARY 2020

BY ORDER OF THE BOARD

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

Farm Credit Administration

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McLean, VA 22102-5090
(703) 883-4000

BOARD ACTION ITEM



FCA BOARD ACTION ON

**Proposed Rule: Tier 1/Tier 2 Capital Framework -
Clarifying Corrections and Revisions**

BM-13-FEB-20-02

Effective Date: February 13, 2020

THE FCA BOARD HEREBY:

- Approves the proposed rule that would amend regulations governing the Tier 1/Tier 2 Capital Framework,
- Authorizes FCA staff to make any technical or grammatical changes to the proposed rule that may be necessary prior to publication in the *Federal Register*, and
- Authorizes the Director of the Office of Regulatory Policy to re-open or extend the comment period if requested by commenters and to approve any *Federal Register* document necessary to accomplish re-opening or extending the comment period.

DATED THIS 13th DAY OF FEBRUARY 2020

BY ORDER OF THE BOARD

/s/
Dale L. Aultman
Secretary to the Board

Farm Credit Administration

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McLean, VA 22102-5090
(703) 883-4000

BOARD ACTION ITEM



FCA BOARD ACTION ON

Final Rule: Criteria to Reinstate Non-Accrual Loans

BM-13-FEB-20-03

Effective Date: February 13, 2020

THE FCA BOARD HEREBY:

- Approves the final rule amending accounting classifications for high-risk loans and the criteria to reinstate nonaccrual loans held by Farm Credit System banks and associations; and
- Authorizes staff to make any technical or grammatical changes that may be necessary prior to publication in the *Federal Register* or for compliance with the Congressional Review Act.

DATED THIS 13th DAY OF FEBRUARY 2020

BY ORDER OF THE BOARD

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

Farm Credit Administration

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McLean, VA 22102-5090
(703) 883-4000

BOARD ACTION ITEM



FCA BOARD ACTION ON

Final Rule: Eligibility Criteria for Outside Directors

BM-13-FEB-20-04

Effective Date: February 13, 2020

THE FCA BOARD HEREBY:

- Approves the final rule that modifies the existing outside director eligibility criteria by expanding the list of persons who are excluded from serving as an outside director to strengthen the independence of System institution boards; and
- Authorizes staff to make any technical or grammatical changes that may be necessary prior to publication in the *Federal Register* or for compliance with the Congressional Review Act.

DATED THIS 13th DAY OF FEBRUARY 2020

BY ORDER OF THE BOARD

/s/
Dale L. Aultman
Secretary to the Board

Farm Credit Administration

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(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 13, 2020, 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 13, 2020

Date

/s/

Charles R. Rawls
General Counsel