

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



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
July 16, 2020**

These minutes reflect the business transacted at the July 16, 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 meeting began at 9:00 a.m. and concluded at 9:54 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 five members of the general public. (A list of staff attendees is attached as Exhibit A.)

Chairman Smith announced that this meeting of the Board is a virtual meeting, and everyone is teleworking due to the COVID 19 pandemic.

Chairman Smith asked the Secretary to the Board to conduct a roll call and to address a few technical and protocol items.

The **Secretary** conducted a roll call and to address technical and protocol items.

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 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.

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 June 11, 2020 Regular Board Meeting (BM-16-JUL-20-01)

Mr. Hall moved to approve the minutes for the June 11, 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-16-JUL-20-01)**

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

Reports

Status of Regulatory Pause and Next Steps

David Grahn of the **Office of Regulatory Policy** presented the Status of Regulatory Pause and the Next Steps.

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

There were no further questions or discussion.

(A copy of the PowerPoint presentation is attached as Exhibit D.)

CLOSED SESSION

Chairman Smith noted that this was a Closed Session and asked **OIT staff** to disconnect the outside visitors, and asked FCA and FCISIC staffs to leave the virtual meeting if they do not normally observe the closed session.

Chairman Smith asked **OIT staff** to ensure that outside visitors had been disconnected 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 9:15 a.m. and instructed **OIT Staff** to start recording 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.

OIT Staff Confirmed that the recording had started.

The **Secretary** Noted the start time of the closed session and called the roll. (Attendees are shown on Exhibit A.)

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

Office of Secondary Market Oversight Update

Laurie Rea of the **Office of Secondary Market Oversight Update** presented the OSMO Oversight Update 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 9:54 a.m.

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
July 16, 2020**

Glen R. Smith, Board Chairman / CEO

Jeffery S. Hall, Board Member

OFFICE	OPEN SESSION	CLOSED SESSION
Office of the Board		
Smith, Glen	X	X
Hall, Jeff	X	X
Morris, James	X	X
Donner, Mary Alice	X	X
Roque-Brehm, Awilda	X	
Calhoun, Gaye	X	
Aultman, Dale	X	X
Ibelli, Heyam	X	X
COO		
Coleman, Robert	X	X
OIT		
Golley, Jerald	X	X
Matos, Ricardo	X	X
Versace, Jerry	X	X
OCPA		
Stokke, Michael	X	X
Middleton, Russell	X	X
OGC		
Rawls, Charles	X	X
Kramp, Kevin	X	X
OE		
Paulsen, Roger	X	X
Waldron, Ashley	X	X
Fennewald, Dan	X	X
ODAE		
D'Antoni, Jeremy	X	X
OIG		
Laguarda, Wendy	X	X
Miller, Kevin	X	X
OSMO		
Rea, Laurie	X	X
Hudson, Bruce	X	X
Greenlee, Angela	X	X
Del Moral, Jeremy	X	X
ORP		
Grahn, David	X	X
OCFO		
Smith, Stephen	X	X
Gandy, Doug	X	X

OFFICE	OPEN SESSION	CLOSED SESSION
OAS		
Bell, Vonda	X	X
Clark, Patrina	X	X
FCSIC		
Rubin, Howard	X	X
Grimaldi, Andrew	X	X
OUTSIDE VISITORS	5	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
July 16, 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 July 16, 2020, from 9:00 a.m. until such time as the Board may conclude its business. *Note: Because of the COVID-19 pandemic, we will conduct the board meeting virtually. If you would like to observe the open portion of the virtual meeting, see instructions below for board meeting visitors.*

Attendance: To observe the open portion of the virtual meeting, go to FCA.gov, select "Newsroom," then "Events." There you will find a description of the meeting and a link to "Instructions for board meeting visitors." See SUPPLEMENTARY INFORMATION for further information about attendance requests.

Contact: Dale 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, and parts will be closed. If you wish to observe the open portion, follow the instructions above in the "Attendance" section at least 24 hours before the meeting. 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 as follows:

OPEN SESSION

Approval of Minutes

1 June 11, 2020

Reports

2 Status of Regulatory Pause and Next Steps

CLOSED SESSION

3 Office of Secondary Market Oversight Update¹

/s/

Dale Aultman
Secretary to the Board

July 6, 2020
Date

¹ Closed session is 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 June 11, 2020

BM-16-JUL-20-01

Effective Date: July 16, 2020

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for June 11, 2020.

DATED THIS 16th DAY OF JULY 2020

BY ORDER OF THE BOARD

/s/
Dale L. Aultman
Secretary to the Board



FCA Board Meeting July 2020

Exhibit D

Status of Regulatory Pause and Next Steps July 16, 2020

David P. Grahn
Office of Regulatory Policy





Regulatory Pause

- ▶ On April 9, 2020, the FCA Board approved Notational Vote 20-07 that established a regulatory pause on FCA regulatory activity.

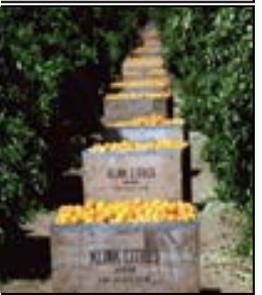
- ▶ This action included pausing the publication of the following three rules:
 - Proposed rule to amend the tier 1/tier 2 regulatory capital framework
 - Final rule on criteria to reinstate nonaccrual loans
 - Final rule on eligibility criteria for outside directors





Regulatory Pause

- ▶ On June 1, 2020, the FCA Board approved NV 20-09 to extend the regulatory pause to July 10, 2020.
- ▶ The regulatory pause gave FCA and the Farm Credit System time to assess and respond to the environment created by COVID-19.
- ▶ During the Regulatory Pause, the Office of Regulatory Policy continued working on its agenda of regulations.





Regulatory Pause Next Steps

- ▶ Going forward, we have identified five regulations that we will focus on getting published this summer.
- ▶ We believe these regulations would not negatively impact the FCS's response to COVID-19.
- ▶ The pause on the Outside Director Final Rule will continue through the end of the calendar year, while we consider recently received comments.





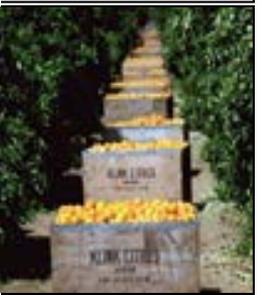
Regulatory Pause Next Steps

- ▶ The five regulations we are moving forward on are the following:
 - The Board approved proposed rule to amend the Tier 1/Tier 2 regulatory capital framework
 - The Board approved final rule on criteria to reinstate nonaccrual loans.
 - The final rule on amendments to the Investment Rule to allow System institutions to invest in certain USDA loan guarantees.
 - The final rule on amendments that updates the Amortization Rule.
 - The final rule to amend regulations governing the presentation of related association financial information within a Farm Credit Bank's Annual Report to Shareholders.





Questions



THANK YOU

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 July 16, 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).

July 16, 2020
Date

/s/
Charles R. Rawls
General Counsel