

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



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
November 18, 2021**

These minutes reflect the business transacted at the November 18, 2021, 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 9:56 a.m.

Members of the Board present were:

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

Others present included **Clark Ogilvie**, General Counsel; **Ashley Waldron**, Secretary to the Board; staff of the FCA and the Farm Credit System Insurance Corporation; and nine 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 hybrid physical/virtual meeting due to the COVID 19 pandemic.

Chairman Smith asked everyone to say the Pledge of Allegiance with him as the Flag was displayed on the presentation screen.

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 addressed 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 not* include any portions of the meeting that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the entire meeting remain open.

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 October 14, 2021 Regular Board Meeting (BM-18-NOV-21-01)

Mr. Hall moved to approve the minutes for the October 14, 2021, 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-18-NOV-21-01)**

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

Report

Merger Application Status Update

Kevin Kramp of the **Office of Regulatory Policy** presented the Merger Application Status Update.

Chairman Smith opened the discussion for questions and comments by the Board.

Chairman Smith had a written statement. **Chairman Smith** read aloud this statement and requested that the **Secretary** include this statement in the minutes. (**Chairman Smith's** statement is attached at Exhibit D.)

There were no further questions or discussion.

New Business

Bookletter: Sound Governance of Wholesale Funding and Related Processes

(BM-18-NOV-21-02)

Jeremy Edelstein and **Clayton Milburn** of the **Office of Regulatory Policy**, and **Curtis Bednarz** of the **Office of Examination** presented the Bookletter: Sound Governance of Wholesale Funding and Related Processes.

Chairman Smith opened the discussion for questions and comments 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 staff's recommendation regarding the Bookletter: Sound Governance of Wholesale Funding and Related Processes.

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-18-NOV-21-02)**

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

Farm Credit System Building Association 2022 Budget and Assessments (BM-18-NOV-21-03)

Rick Albrecht, President of the **Farm Credit System Building Association**, presented the Farm Credit System Building Association's 2022 Budget and Assessments.

Chairman Smith opened the discussion for questions by the Board.

Chairman Smith asked if there was any further discussion and asked Mr. Albrecht to provide his recommendation. Mr. Albrecht provided his recommendation.

Chairman Smith called for a motion on the recommendation.

Mr. Hall moved to approve the Farm Credit System Building Association's 2022 Budget and Assessments as recommended.

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-18-NOV-21-03)**

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

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 9:56 a.m.

NOTATIONAL VOTE ACTIONS

There were five notational vote actions approved by the FCA Board from October 14, 2021, through November 17, 2021 as follows:

Item Number	Action Date	Voting Results	Subject
NV 21-27	10/25/2021	Approved	Yankee Farm Credit, ACA and Farm Credit East, ACA Merger Request
NV 21-30	10/18/2021	Approved	Standards of Conduct Final Rule – Extension of Effective Date
NV 21-31	10/28/2021	Approved	FCS of North Dakota, ACA and AgCountry FCS, ACA Merger Request
NV 21-32	11/12/2021	Approved	Policy Statement 64 Amendment – Video Recordings of Board Meetings
NV 21-33	11/16/2021	Approved	CoBank Request for Approval to Redeem Certain Preferred Stock

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the FCA Board held on November 18, 2021.

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

 /s/
Ashley Waldron
Secretary to the Board

Approved: December 9, 2021

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
November 18, 2021**

Glen R. Smith, Board Chairman and CEO
Jeffery S. Hall, Board Member

OFFICE	OPEN SESSION
Office of the Board	
Smith, Glen	X
Hall, Jeff	X
Morris, James	X
Donner, Mary Alice	X
Roque-Brehm, Awilda	X
Calhoun, Gaye	X
Waldron, Ashley	X
Ibelli, Heyam	X
COO	
Coleman, Robert	X
OIT	
Golley, Jerald	X
Matos, Ricardo	X
Versace, Jerry	X
Rana, Ben	X
OCPA	
Stokke, Michael	X
Middleton, Russell	X
Meaux, Willy	X
Herberger, Jeff	X
OGC	
Ogilvie, Clark	X
Griffin, Ward	X
Orlich, Becky	X
LoPresti, Heather	X
OE	
Paulsen, Roger	X
Fennewald, Dan	X
Bednarz, Curtis	X
ODAE	
D'Antoni, Jeremy	X
Shields, Dennis	X
Iannetta, Sal	
OIG	
Laguarda, Wendy	X
Miller, Kevin	X
OSMO	
Rea, Laurie	X
ORP	

OFFICE	OPEN SESSION
Kramp, Kevin	X
Agans, Autumn	X
Edelstein, Jeremy	X
Livernois, Aaron	X
Milburn, Clayton	X
Leist, Ryan	X
OCFO	
Smith, Stephen	X
Gandy, Doug	X
OAS	
Bell, Vonda	X
Clark, Patrina	X
FCSIC	
Rubin, Howard	X
Simonson, John	X
Grimaldi, Andrew	X
FCSBA	
Albrecht, Rick	X
Smith, Larry (Outside Accountant)	X

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 November 18, 2021

SUMMARY: Notice is hereby given, pursuant to the Government in the Sunshine Act, of the forthcoming regular meeting of the Farm Credit Administration Board.

DATE: The regular meeting of the Board will be held November 18, 2021, from 9:00 a.m. until such time as the Board may conclude its business.

ADDRESSES: *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 in SUPPLEMENTARY INFORMATION for board meeting visitors.*

FOR FURTHER INFORMATION CONTACT: Ashley Waldron, Secretary to the Farm Credit Administration Board, at (703) 883-4009. TTY is (703) 883-4056.

SUPPLEMENTARY INFORMATION: This meeting of the Board will be open to the public. Following are instructions for attending the virtual meeting. If you wish to observe, at least 24 hours before the meeting, go to [FCA.gov](https://www.fca.gov), select "Newsroom," then "Events." There you will find a description of the meeting and "Instructions for board meeting visitors." If you need assistance for accessibility reasons or if you have any questions, contact Ashley Waldron, 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 October 14, 2021

Report

- 2 Merger Application Status Update

New Business

- 3 Bookletter: Sound Governance of Wholesale Funding and Related Processes
- 4 FCS Building Association 2022 Budget

_____/s/
Ashley Waldron
Secretary to the Board

<u>November 5, 2021</u> Date

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for October 14, 2021

BM-18-NOV-21-01

Effective Date: November 18, 2021

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for October 14, 2021.

DATED THIS 18th DAY OF NOVEMBER 2021

BY ORDER OF THE BOARD

_____/s/
Ashley Waldron
Secretary to the Board

**Statement by Chairman Glen R. Smith
Merger Applications Review Status Report
Farm Credit Administration Board Meeting
November 18, 2021**

I thank the staff for the presentation.

As mentioned, Board Member Hall and I issued a joint board statement on October 29, 2021, soon after reviewing and approving the disclosure statements of two different mergers. We both agreed that improvement is needed in the depth of information submitted in a merger application, as well as to the agency's review of merger applications. It is our intent to issue more formal guidance, but we thought it necessary to indicate to possible merger applicants, in the interest of transparency, that change is on the horizon.

Board Member Hall and I agree that the strength of the farm credit system is its cooperative structure. A principle of cooperative structure is local control. The FCA has the obligation to ensure merger applicant shareholders have the best information possible to make informed decisions concerning the future of his or her institution.

To fulfill that obligation, the agency will require improved, non-biased information, specific to the affected institutions to be submitted in the merger disclosure packages. That information needs to be presented to the voting shareholders in an easy to read, plainly written, easily identified format.

The agency will use this improved information to raise the standard by which it assesses the adequacy of the application.

It's appropriate for the agency to review its processes to make sure information requested from the System is necessary and relevant. All means to improve submission, review, and most importantly timely disclosure are on the table. All ideas for improvement will be considered.

One current requirement that will remain, however, is the list of disadvantages. As staff noted, this list is required by statute. Of particular note, the agency will be paying more attention to the list of disadvantages submitted in merger disclosures and urges the applicants include more fulsome and clear information for shareholders to consider when voting on institution mergers.

The board looks forward to hearing staff's further recommendations.

Thank you.

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Bookletter: Sound Governance of Wholesale Funding and Related Processes

BM-18-NOV-21-02

Effective Date: November 18, 2021

THE FCA BOARD HEREBY:

- Approves Bookletter – 074 – Sound Governance of Wholesale Funding and Related Processes.
- Authorizes FCA staff to make any technical or grammatical changes to Bookletter – 074 – Sound Governance of Wholesale Funding and Related Processes that may be necessary prior to issuance.

DATED THIS 18th DAY OF NOVEMBER 2021

BY ORDER OF THE BOARD

_____/s/
Ashley Waldron
Secretary to the Board

Farm Credit Administration

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

BOARD ACTION ITEM



FCA BOARD ACTION ON

Farm Credit System Building Association 2022 Budget and Assessments

BM-18-NOV-21-03

Effective Date: November 18, 2021

Source of Authority: Farm Credit Act of 1971, as amended, Section 5.16. FCS Building Association Bylaws, Article IV, Sections 2 and 11, dated February 15, 1991.

THE FCA BOARD HEREBY:

- Approves the Farm Credit System Building Association's 2022 budget and assessments. The budget includes operating revenues of \$4,403,866, operating expenses of \$4,525,904, and capital improvements/major building repairs of \$315,000. The operating revenues include member bank assessments of \$3,650,000.

DATED THIS 18th DAY OF NOVEMBER 2021

BY ORDER OF THE BOARD

_____/s/
Ashley Waldron
Secretary to the Board