Farm Credit Administration Compliance Plan for OMB Memorandum M-24-10 – September 2024

Issued by Maribel Duran, Chief of Staff

# REVISION HISTORY

| Date | Description of Change | Version |
|------|----------------------|---------|
| 09/24/2024 | FCA AI Compliance Plan | 1.0 |
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## PURPOSE

The AI in Government Act of 2020 and OMB Memorandum M-24-10, Advancing Governance, Innovation, and Risk Management for Agency Use of Artificial Intelligence, direct each agency to submit to OMB and post publicly on its website either a plan to achieve consistency with M-24-10 or a written determination that the agency does not use and does not anticipate using covered AI.

The Farm Credit Administration (FCA) is committed to ensuring the agency's use of Artificial Intelligence (AI) is designed, deployed, and used responsibly in advancing our mission to ensure that Farm Credit System institutions, including Farmer Mac, are safe, sound, and dependable sources of credit and related services for all creditworthy and eligible persons in agriculture and rural America. FCA's Compliance Plan only covers the requirements of M-24-10 that are applicable to an independent Federal agency.

## STRENGTHENING AI GOVERNANCE

### General

FCA is in the process of developing and finalizing policies and guidelines to align with the three main pillars outlined in M-24-10:

1. Strengthening AI Governance
2. Advancing Responsible AI Innovation, and
3. Managing Risks from the Use of AI.

### AI Use Case Inventories

FCA embraces transparency and a risk-based approach in how the agency is using AI; the creation and maintenance of AI use case inventories are essential to ensuring that we understand how AI technologies are being used to enable our mission and operations. Correspondingly, FCA expects to publish applicable AI use cases publicly in accordance with the guidance outlined in M-24-10.

AI use cases may be identified from across FCA at all levels from individual users to the executive team. Identified use cases are considered through existing FCA processes, evaluated by existing advisory or decisioning bodies, and will be entered into FCA's AI use case inventory as appropriate. FCA's approach to maintaining a comprehensive, complete, and accurate inventory leverages existing agency processes, particularly those involving cross-agency stakeholders such as our processes for implementing business capabilities where technology and data serve key enabling roles. Where applicable, FCA plans to update these processes to reflect areas where AI use cases introduce new and unique considerations.

**Reporting on AI Use Cases Not Subject to Inventory**

While FCA aims to maintain a transparent inventory of AI use cases, certain use cases may be excluded based on specific criteria, such as those below.

- **Mission Risk:** Use cases that, if disclosed, could negatively impact or create risks to the agency's mission, employees, customers, or the public.

- **Confidentiality Agreements:** Use cases subject to confidentiality agreements with other agencies, customers, employees, or stakeholders.

- **Security Concerns:** Use cases that cannot be publicly disclosed.

Our process for identifying and periodically validating the AI use cases not subject to inventory will be incorporated into our formal process for handling AI use cases, once final. Currently, FCA has not evaluated AI use cases that meet the criteria for exclusion from being individually inventoried.

## ADVANCING RESPONSIBLE AI INNOVATION

### Removing Barriers to the Responsible Use of AI

Over the past years, FCA has made strategic and risk-based investments in establishing scalable Information Technology infrastructure, modernization efforts, as well as a range of software tools and libraries as part of the agency's IT strategic plan and the agency's operational priorities. These investments and our existing policies for identifying and deploying additional software tools will also facilitate developing, testing, and maintaining AI applications. To date, we have not identified barriers that would prevent us from meeting the M-24-10 requirements.

Currently, the agency is in the process for establishing formal internal guidance for the use of AI which will also include generative AI. The agency guidance will be tailored for FCA's mission and be based on the whole-of-government approach, balancing innovation, guardrails for AI including generative AI, our regulatory responsibilities, and fulfilling our obligations to secure and protect FCA's data and systems.

### AI Talent

Building and maintaining a skilled workforce is a key priority for the agency and crucial for advancing our IT priorities, data analytics and overall innovation efforts. The agency has supported a coordinated effort across various offices to review, consider and curate training and professional development opportunities for our workforce.  We have started considering the following strategies in this area:

- **Workforce Strategies:** In alignment with the FCA Board's priorities, the agency will review and consider recruitment tactics, including targeted recruitment strategies to attract AI talent, and various hiring authorities should the agency require specific skillsets not already on staff.

- **Training and Employee Development:** The Agency consistently ranks high in FEVS scores focused on employee development and will continue to identify relevant training opportunities for the workforce. We see AI as opportunity to upskill our employees, allowing them to learn new and advanced skills in this fast-growing area. Over the course of the past year, various offices have partnered to provide peer training and learning opportunities on AI and to develop a curated list of trainings available for staff.

## AI Sharing and Collaboration

FCA continues to work on the appropriate approach, consistent with Section 4(d) of M-24-10, for sharing custom-developed AI code with other Agencies or the general public.

## Harmonization of Artificial Intelligence Requirements

The agency engages with the larger federal agency community, particularly the Financial Institutions Reform, Recovery, and Enforcement Act agencies (FIRREAs), as a community of practice to learn about their approaches to the development of AI strategies and policies. FCA continues to coordinate internally to ensure a consistent and unified approach to AI governance, innovation, and risk management.

# MANAGING RISKS FROM THE USE OF ARTIFICIAL INTELLIGENCE

## Determining Which Artificial Intelligence Is Presumed to Be Safety-Impacting or Rights-Impacting

FCA is committed to the responsible use of AI that is rights-impacting or safety-impacting. Currently, the agency is finalizing our processes for evaluating applicable AI uses that meet the definition of safety-impacting or rights-impacting as defined in Section 6 of M-24-10. The established review process will follow the requirements detailed therein.

To date, the agency has not defined additional criteria.

## Implementation of Risk Management Practices and Termination of Non-Compliant AI, and Minimum Risk Management Practices

At this time, FCA has not identified any non-compliant AI use that would require termination.

As the agency moves forward, minimum risk management practices for AI uses, including controls to prevent non-complaint safety-impacting or rights-impacting AI from being deployed to the public, will be defined as part of the agency's processes for evaluating and deploying covered AI capabilities. Similarly, this process will address our process for issuing, denying, revoking, tracking, and certifying waivers for one or more minimum risk practices, as applicable.

The agency's AI lead is accountable for achieving these requirements, with responsibility for implementation and oversight being shared among other groups including our Office of Data Analytics and Economics, and Office of Information Technology.