



ACTION ALERT

URGENT REQUEST

STOP Farm Credit System Expansion

FCS seeking to make any type of business, community & infrastructure loans

The Farm Credit Administration (FCA) regulates the Farm Credit System (FCS) and has issued a proposed regulation with comments due October 23rd. The FCA's proposal finalizes the FCS's long sought after ability to make **virtually any type of loan for any purpose** as long as the loan is labeled as a "bond" or an "investment."

Several years ago FCA began allowing FCS to conduct pilot projects to finance various investments, which included: manufacturing plants; apartment complexes; hospitals, health care; non-ag businesses; restaurants, hotels, commercial buildings, commercial real estate; vet clinics, road graders/contractors; doctors and lawyers offices; bridges; etc.

FCA'S 2008 proposed rule would have instituted authority to approve these pilot projects permanently. FCA received approximately 10,000 banker letters in opposition and announced last November withdrawal of the proposal. However FCA also announced they would approve 'investment' requests on a case-by-case basis. FCA issued a "guidance memo" in September notifying FCS lenders they could request approval to make virtually any business, community, or infrastructure loan (investment). FCA's strategy is to implement the broad-based investment authority through their guidance memo while avoiding disclosing the scope of their investment authority in the proposed regulation.

Here are the links to sample comment letters to oppose FCA's proposed rule and guidance memorandum.

Sample comment letters (include your bank's name):

[Letter #1](#)

[Letter #2](#)

Please have your officers, board members and bank staff also send letters.

Here is where to send your comment letters: reg-comm@fca.gov

THANK YOU!