

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



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
May 10, 2018**

These minutes reflect the business transacted at the May 10, 2018, 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 10:30 a.m. Members of the Board present were:

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

The above named constitute the full Board.

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 Tonsager welcomed 15 Associate Examiners, and three instructors, from the Office of Examination, who were observing the Open Session of the Board Meeting.

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

Board Chairman Tonsager 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.

Mr. Smith seconded the motion.

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

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

Mr. Smith 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.

Mr. Hall seconded the motion.

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

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

OPEN SESSION

Approval of Minutes

Minutes for April 12, 2018 (BM-10-MAY-18-01)

Mr. Hall moved to approve the minutes for the April 12, 2018, FCA Regular Board Meeting.

Mr. Smith seconded the motion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-10-MAY-18-01)**

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

New Business

Standards of Conduct Proposed Rule (BM-10-MAY-18-02)

Jacqui Melvin of the **Office of Regulatory Policy (ORP)**, and **Mary Alice Donner** of the **Office of General Counsel (OGC)** presented the Standards of Conduct Proposed Rule.

Board Chairman Tonsager opened the discussion for questions by the board.

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

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

Mr. Smith moved to approve the Standards of Conduct Proposed Rule as recommended by staff.

Mr. Hall seconded the motion.

Board Chairman Tonsager asked if there was any further discussion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-10-MAY-18-02)**

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

**Investment Eligibility Final Rule
(BM-10-MAY-18-03)**

J.C. Floyd and David Lewandrowski of **ORP** and **Richard Katz** of **OGC** presented the Investment Eligibility Final Rule.

Board Chairman Tonsager opened the discussion for questions by the board.

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

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

Mr. Hall moved to approve the Investment Eligibility Final Rule as recommended by staff.

Mr. Smith seconded the motion.

Board Chairman Tonsager asked if there was any further discussion.

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

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-10-MAY-18-03)**

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

CLOSED SESSION

Board Chairman Tonsager 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.

Board Chairman Tonsager convened the closed session of the meeting at 9:31 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.

Board Chairman Tonsager 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 F.)

Office of Secondary Market Oversight Periodic Report

Laurie Rea and **Bill Bravenec** of the **Office of Secondary Market Oversight** presented the OSMO Periodic Report.

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

Mr. Smith moved that the meeting be adjourned.

Mr. Hall seconded the motion.

Board Chairman Tonsager called the question.

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

The meeting adjourned at 10:30 a.m.

NOTATIONAL VOTE ACTIONS

There were three notational vote actions approved by the FCA Board from April 13, 2018, through May 9, 2018 as follows:

Item Number	Action Date	Voting Results	Subject
NV 18-05	05/02/2018	Approved	Delegation for reporting of the director of the Office of Secondary Market Oversight
NV 18-06	05/03/2018	Approved	No objection to a proposed offering circular of the Farm Credit Bank of Texas for the issuance of stock
NV 18-07	05/07/2018	Approved	Modification to FCA's Locality Rates

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the Farm Credit Administration Board held on May 10, 2018.

_____/s/_____
 Dallas P. Tonsager
 Board Chairman and Chief Executive Officer

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

Approved: June 14, 2018

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
May 10, 2018**

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

OFFICE	OPEN SESSION	CLOSED SESSION
Office of the Board		
Aultman, Dale	X	X
Kramp, Kevin	X	X
Morris, James	X	X
Batta, Todd	X	X
Corey, Kathryn	X	
Roque-Brehm, Awilda	X	
Calhoun, Gaye	X	
COO		
Hoffman, William	X	X
OIT		
Golley, Jerald	X	X
OCPA		
Stokke, Michael	X	X
OSMO		
Rea, Laurie	X	X
Connor, Joe		X
Bravenec, Bill	X	X
OGC		
Rawls, Charles	X	X
Grahn, David	X	
Donner, Mary Alice	X	
Katz, Richard	X	
OE		
Coleman, Robert	X	X
Paulsen, Roger	X	X
Adolfson, Stephen	X	
Austin, Danielle	X	
Beemer, Evan	X	
Buckley, Alex	X	
Burkhard, Rachel	X	
Dombrowski, Lori	X	
Harder, Brent	X	
Heitzer, Sam	X	
Littleton, Morgan	X	
Martinez, Eric	X	
Ready, Cole	X	
Rodriguez, Sylvia	X	
Strayer, Daniel	X	
Stroud, Carly	X	

OFFICE	OPEN SESSION	CLOSED SESSION
Wayland, Tiffany	X	
Wilhite, Sharon	X	
Hanson, Angela	X	
Muller, Jody	X	
OIG		
Laguarda, Wendy	X	X
ORP		
Johansen, Mark	X	X
Mardock, Barry	X	X
Lewandrowski, David	X	
Melvin, Jacqui	X	
Floyd, J.C.	X	
OCFO		
Smith, Stephen	X	X
OAS		
Fowlkes, Jerome	X	X
FCSIC		
Rubin, Howard	X	X
Pfitzinger, Rick	X	X
GENERAL PUBLIC	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
May 10, 2018**

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 May 10, 2018. 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 L. 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 (limited space available) and parts will be closed. 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 L. 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 April 12, 2018

New Business

- 2 Standards of Conduct - Proposed Rule
- 3 Investment Eligibility - Final Rule

Closed Session

- 4 OSMO Periodic Report¹

April 30, 2018
Date

/s/
Dale L. Aultman
Secretary to the Board

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 April 12, 2018 Regular Board Meeting

BM-10-MAY-18-01

Effective Date: May 10, 2018

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for April 12, 2018, Regular Board Meeting as submitted.

DATED THIS 10th DAY OF MAY 2018

BY ORDER OF THE BOARD

_____/s/
Dale L. Aultman
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

Standards of Conduct Proposed Rule

BM-10-MAY-18-02

Effective Date: May 10, 2018

Effect on Previous Action: None

THE FCA BOARD HEREBY:

- Approves the proposed rule that would replace FCA's regulations in Part 612, Subpart A, with a new rule to require Farm Credit System institutions to develop a Standards of Conduct Program and adopt a Code of Ethics that puts into practice core ethical values as part of its corporate culture; and
- Authorizes staff to make any technical or grammatical changes that may be necessary prior to publication in the *Federal Register*.

DATED THIS 10th DAY OF MAY 2018

BY ORDER OF THE BOARD

/s/
Dale L. Aultman
Secretary to the Board

Farm Credit Administration

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

BOARD ACTION ITEM



Investment Eligibility Final Rule

BM-10-MAY-18-03

Effective Date: May 10, 2018

Effect on Previous Action: None

THE FCA BOARD HEREBY:

- Approves the final rule that would amend FCA regulations at Part 615, Subpart E, governing eligible investments and investment management at Farm Credit banks and associations, and make conforming changes to other regulations in parts 611 and 615; and
- Authorizes staff to make any technical or grammatical changes that may be necessary prior to publication in the *Federal Register*.

DATED THIS 10th DAY OF MAY 2018

BY ORDER OF THE BOARD

/s/

Dale L. Aultman
Secretary to the Board

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 May 10, 2018, 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).

May 10, 2018
Date

/s/
Charles R. Rawls
General Counsel