

Fact Sheet

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Fact Sheet on Final Rule on Reporting of Accounts and Exposures

The Farm Credit Administration Board adopted a final rule on Dec. 12, 2013, to establish a regulatory framework for the reporting of Farm Credit System accounts and exposures to FCA. The intent of the rule is to help FCA identify and respond to risk more quickly and effectively. The final rule also updates FCA regulations in parts 602, 618, and 621.

The purpose of the rule is as follows:

- To reaffirm FCA's authority to collect data on System institution accounts and exposures for FCA to use in examining institutions and evaluating risk
- To require all banks and associations to provide data on accounts and exposures to the entity that is responsible for reporting to FCA
- To establish the authority for, and responsibilities of, the Reporting Entity to collect, store, manage, and extrapolate data on accounts and exposures

The FCA Board approved the proposed rule on the reporting of accounts and exposures on June 28 of this year.

For more than a decade, FCA has collected detailed asset reports through loan data extracts from System institutions to facilitate examination activities and risk evaluation. To quickly and accurately identify and respond to risk, FCA also needs data on the System's shared assets.

To provide these data and accomplish other System objectives, the System has tasked the Farm Credit System Funding Corporation with creating a central repository to collect and store data from all System banks and associations, establishing an automated mechanism to identify the System's shared-asset exposures, and collecting the data on behalf of the System's banks and associations for delivery to FCA.

Summary of Changes to Regulations

- **12 C.F.R. § 602.2:** We added a new paragraph (c) to this section to provide for the disclosure of System accounts and exposure reports to the Farm Credit System Insurance Corporation in accordance with a confidentiality agreement between the agencies.
- **12 C.F.R. §§ 618.8300, 618.8310, 618.8320:** We made conforming changes and amended these sections to allow System institutions to release information, lists of borrowers and stockholders, and data regarding loan applicants to the Reporting Entity as provided in the regulation.
- **12 C.F.R. Part 621—Authority:** We added Section [4.12\(b\)\(5\)](#) and Section [5.22A](#) of the Farm Credit Act as authority for this rule.
- **12 C.F.R. § 621.2—Definitions:** We added definitions for “accounts and exposures,” “banks and associations,” “central data repository,” “Reporting Entity,” and “shared asset” to add clarity to the regulation.
- **12 C.F.R. § 621.15—Reports of Accounts and Exposures:** We added this new section to provide for the responsibilities of the banks, associations, and the Reporting Entity for preparing and submitting the reports of accounts and exposures.