AgriBank
FARM CREDIT BANK

To January 16, 2024

Via Electronic Submission to OCC via Federal eRulmaking Portal

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street SW
Suite 3E–218
Washington, DC 20219

Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

James P. Sheesley
Assistant Executive Secretary
Attention: Comments/Legal OES (RIN 3064–AF29)
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Regulatory capital rule: Amendments applicable to large banking organizations and to banking organizations with significant trading activity (OCC: Docket ID OCC-2023-0008); (Federal Reserve: Docket No. R–1813, RIN 7100–AG64); (FDIC: RIN 3064–AF29)

Ladies and Gentlemen:

AgriBank, FCB ("AgriBank") appreciates the opportunity to comment on the above-referenced proposed rules (the "Proposed Rules") issued by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the "Agencies"). As one of the four banks of the Farm Credit System ("Farm Credit"), AgriBank agrees with and supports the comments offered by the Federal Farm Credit Banks Funding Corporation (the "FFCBFC") in its comment letter dated January 16, 2024. AgriBank strongly supports the FFCBFC conclusion that the Agencies should revise the collateral haircut approach under the Proposed Rules to continue to afford GSE securities, including Farm Credit debt obligations, lower market price volatility haircuts in accordance with their lower risk profile than haircuts it affords to non-GSE investment grade securities.

The Proposed Rules' removal of preferential treatment for Farm Credit debt obligations under its collateral haircut approach could increase the cost of issuance of, or reduce demand for, Farm Credit debt as collateral. This may harm liquidity for Farm Credit debt in the market and increase Farm Credit's cost of funding resulting in higher interest rates for its member-owners. This change may adversely

impact Farm Credit's unique mission to provide reliable and consistent credit to the agricultural sector and rural America, resulting in harm to the U.S. economy, U.S. consumers and national security.
As noted in the FFCBFC comment letter, Farm Credit is robustly regulated, its debt obligations are highly liquid, and it presents a low risk profile for investors. Furthermore, Farm Credit debt obligations experienced far less market price volatility than other debt exposures during both the 2008 financial crisis and the 2020 COVID pandemic. Therefore, there is no need for the Agencies to amend the market price volatility haircut applicable to Farm Credit debt.

We appreciate the opportunity to comment and your consideration of our comment letter. We would be happy to discuss our comments or provide any additional information that you may deem helpful. If you have questions or require additional information, please contact me.

Sincerely,

[redacted]

Barbara Kay Stille
Chief Administrative Officer and General Counsel