

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

FARM CREDIT ADMINISTRATION

12 CFR Part 613

RIN 3052-AC33

Eligibility and Scope of Financing; Processing and Marketing

AGENCY: Farm Credit Administration.

ACTION: Proposed rule; reopening of comment period.

SUMMARY: The Farm Credit Administration (FCA, Agency, or we) Board reopens the comment period for 45 days following the date of publication in the **Federal Register** on the proposed rule to amend its regulation governing financing of processing and marketing operations by Farm Credit System (Farm Credit, FCS, or System) institutions under titles I and II of the Farm Credit Act of 1971, as amended (Act), so that interested parties will have additional time to provide comments.

DATES: Please send your comments to us on or before February 26, 2007.

ADDRESSES: We offer a variety of methods to receive your comments. For accuracy and efficiency reasons, commenters are encouraged to submit comments by e-mail or through the Agency's Web site or the Federal eRulemaking Portal. As faxes are difficult for us to process and achieve compliance with section 508 of the Rehabilitation Act, please consider another means to submit your comment if possible.

Regardless of the method you use, please do not submit your comment multiple times via different methods. You may submit comments by any of the following methods:

- *E-mail:* Send us an e-mail at reg-comm@fca.gov.
- *Agency Web site:* <http://www.fca.gov>. Select "Legal Info," then "Pending Regulations and Notices."
- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Gary K. Van Meter, Deputy Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA 22102-5090.

- *FAX:* (703) 883-4477. Posting and processing of faxes may be delayed. Please consider another means to comment, if possible.

You may review copies of comments we received at our office in McLean, Virginia, or from our Web site at <http://www.fca.gov>. Once you are in the Web site, select "Legal Info," and then select "Public Comments." We will show your comments as submitted, but for technical reasons we may omit items such as logos and special characters. Identifying information that you provide, such as phone numbers and addresses, will be publicly available. However, we will attempt to remove e-mail addresses to help reduce Internet spam.

FOR FURTHER INFORMATION CONTACT:

Barry Mardock, Associate Director, Office of Regulatory Policy, Farm Credit Administration, 1501 Farm Credit Drive, McLean, VA, (703) 883-4456, TTY (703) 883-4434; or Michael A. Anderson, Policy Analyst, Office of Regulatory Policy, Farm Credit Administration, Denver, CO, (303) 696-9737; or Howard I. Rubin, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4029, TTY (703) 883-4020.

SUPPLEMENTARY INFORMATION: On October 16, 2006, FCA published a proposed rule in the **Federal Register** to amend its regulations in part 613 governing financing of processing and marketing operations by System institutions under titles I and II of the Farm Credit Act of 1971, as amended (Act). *See* 71 FR 60678. Specifically, this proposal would add additional specific criteria to determine eligibility of legal entities for financing as processing and marketing operations. The Agency further proposed a non-substantive technical correction to its regulation defining the term "person". The comment period closed on December 15, 2006. In letters dated December 15, 2006, the Independent Community Bankers of America, Independent Bankers of Colorado, Nebraska Independent Community Bankers, Independent Bankers Association of Texas, and Financial

Services Roundtable requested the FCA to extend the comment period for at least 90 days because of the breadth and complexity of the proposed rule. On December 19, 2006, the Farm Credit Council filed an opposition to the request for extension of comment period, stating that the proposed rule is of "vital importance to America's farmers and ranchers," that "ample time" has already been provided to interested parties to review and comment and that any additional comment period should not extend past January 15, 2007. The commenters requesting an extension asserted that the proposed rule will significantly expand the lending authority of FCS institutions to include virtually all commercial enterprises, up to and including WalMart. Such a wide scale expansion of lending authority is not the intent of the proposed rule. Instead, as discussed at length in the preamble to the proposed rule, the intent of the amended rule is to better ensure that FCS institutions are meeting their statutory mandate to provide necessary credit to bona fide farmers and ranchers for their processing and marketing needs in light of changing ownership structures in the modern agricultural economy. In their written comments on the proposed rule, many FCS institutions submitted examples of family farm operations (that already borrow from FCS lenders) that cannot obtain FCS credit for their processing and marketing operations under current FCA rules because of the way ownership of the processing or marketing operation is structured.

Because the FCA supports public involvement and participation in its regulatory process, we are reopening the comment period for 45 days and invite and encourage all interested parties to submit constructive and specific suggestions on ways our proposed rule can be improved to better meet our goal of ensuring that all bona fide farmers and ranchers have access to FCS credit for their processing and marketing needs in accordance with the Act.

Dated: January 5, 2007.

James M. Morris,

Acting Secretary, Farm Credit Administration Board.

[FR Doc. E7-221 Filed 1-10-07; 8:45 am]

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