

FCA's Arm's-Length Role

The Farm Credit Administration operates as an independent, arm's-length regulator, with a three-member, presidentially-appointed, Senate-confirmed board. We are obligated and committed to providing a level playing field for all who come before us, ensuring equal access and impartiality in carrying out our duties.

To this end, FCA Board and staff members must avoid actions that show favoritism or create even the appearance of a conflict of interest. An appearance of a conflict of interest exists when the surrounding circumstances would lead a reasonable person to question a Board or staff member's ability to act impartially, even if the member believes he or she can do so.

We care deeply about the future of American agriculture, rural America, and the Farm Credit System's mission to improve the well-being of farmers, ranchers, and rural residents. Many of our Board and staff members have strong roots and continued involvement in agriculture. Consistent with this passion for agriculture and rural America, a number of Board and staff members have served as leaders in agricultural organizations and their communities, including as directors or employees of our regulated entities, the institutions of the Farm Credit System.

While Board and staff member ties to agriculture or the Farm Credit System strengthen the Agency's oversight role, these same connections can be a source for real or perceived conflicts of interest. Therefore, as a condition of joining FCA, all of our Board Members and most staff members must terminate all financial relationships with the Farm Credit System and with other potentially conflicting entities.

While Board or staff members are required to terminate conflicting financial interests, they are not required to sever personal relationships with former colleagues in the Farm Credit System or in the broader agricultural community. The nature of such relationships and interests, however, must change upon joining the Agency.

To this end, Board and staff members are mindful of the need to refrain from engaging with former colleagues in the Farm Credit System in a manner that may be perceived by a reasonable person as improper or as compromising their impartiality. Similarly, new relationships and contacts formed after joining FCA must be developed in a manner consistent with the Agency's arm's-length role.

We recognize that professional, effective, and continuous communication with our regulated entities is crucial to the success of our regulatory mission. We also recognize that our reputation for integrity and strength as an independent, arm's-length regulator depends, in part, upon our duty to avoid communications, situations, or actions that might compromise or appear to compromise our independent, oversight role. It is for these reasons that our communications and actions must always remain and appear to remain at arm's length in carrying out our mission.