



Updated April 29, 2025

Farm Credit Administration and Its Board Members

Overview

Congress oversees the Farm Credit Administration (FCA), which is the federal financial regulator responsible for ensuring the safety and soundness of Farm Credit System (FCS) institutions and the Federal Agricultural Mortgage Corporation (Farmer Mac). FCA is directed by a three-member board of directors nominated by the President and confirmed by the Senate (12 U.S.C. §2242). One position is vacant, and the other two positions are in expired terms.

Congressional oversight is provided by the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry. The most recent oversight hearings on FCS (with FCA witnesses) were in the Senate on May 19, 2016, and in the House on November 19, 2019. The Senate committee most recently held a nomination hearing for a board member in September 2022.

Farm Credit Administration

FCA sets the policies, regulations, charters, and examinations of FCS and Farmer Mac entities. This includes compliance with laws concerning eligibility and regulations protecting the rights of borrowers in default. FCA is an independent agency that has about 300 employees. It is located in McLean, VA, and conducts examinations from several field offices. FCA reports to Congress on the financial condition of FCS.

FCA's operating expenses are paid through assessments on FCS banks and associations. Even though FCA is not funded by congressional appropriation, the annual Agriculture Appropriations Act has placed a limit on FCA's administrative expenses (\$94.3 million in FY2025).

Statutory authority for FCA is in the Farm Credit Act of 1971 (12 U.S.C. §§2241 et seq.), as amended, notably by the Agricultural Credit Act of 1987. Regulations are at 12 C.F.R. §§600 et seq.

Farm Credit System

FCS is a privately owned, federally chartered, nationwide financial cooperative that lends to full- and part-time farmers, farming-related businesses, rural homeowners, farmer-owned cooperatives, and certain rural utilities. Borrowers must meet creditworthiness requirements. FCS is not a lender of last resort.

Established in 1916 as a government-sponsored enterprise (GSE), FCS has a statutory mandate—and limitation—to serve agriculture. FCS is the only direct lender among the GSEs. It receives tax benefits, but FCS operates without any direct federal appropriations.

FCS associations are owned by their borrowers, who are required to purchase stock as part of their loans. FCS banks and associations do not take deposits like commercial banks. Instead, FCS uses capital markets to sell bonds that become the joint and several liabilities of all FCS banks, meaning they collectively stand behind the obligations to repay those bonds. FCS is composed of four regional banks that provide funds and support services to 55 smaller credit associations that in turn provide loans to eligible borrowers.

As of December 31, 2024, FCS information statements show \$429 billion in total loans outstanding to agriculture, agribusiness, rural utility, and other borrowers. Agriculture loans are the largest portion (\$269 billion). FCS provided 46% of loans on the sector-wide farm balance sheet at the end of 2023, according to the U.S. Department of Agriculture.

Statutory authority for FCS is in the Farm Credit Act of 1971 (12 U.S.C. §§2001 et seq.), as amended.

Farmer Mac

Farmer Mac is a secondary market for agricultural mortgages. It purchases loans from originating lenders and provides other risk management tools. Farmer Mac was created by Congress in 1987 as a privately funded GSE and is an investor-owned corporation that is financially and corporately separate from FCS.

As of December 31, 2024, Farmer Mac's total business volume (similar to assets) was nearly \$30 billion.

Statutory authority for Farmer Mac is in the Farm Credit Act of 1971 (12 U.S.C. §§2279aa et seq.).

Board Members

As a regulator, FCA is directed by a three-member board of directors nominated by the President and confirmed by the Senate (12 U.S.C. §2242).

Terms for board members are six years in length, fixed when they begin and staggered so that one term begins every two years regardless of whether a new member has been confirmed. Board members may not be reappointed after serving a full term or more than three years of an unexpired term. A board member may continue to serve beyond the end of his/her term until a replacement has been confirmed. This helps maintain continuity on the board if successors are delayed. Not more than two members of the board may be from the same political party. Qualifications require some background in agricultural economics, financial reporting, finance, law, or financial regulation.

The President designates one member as chairman—not subject to further confirmation—who has historically held

that role until the end of his/her term. The chairman is also the chief executive officer of FCA (12 U.S.C. §2244).

Current Board Members

The current FCA board has two members, both of whom are serving in expired terms. One seat is vacant following the resignation of a member (**Table 1**).

Table 1. Farm Credit Administration Board Members

Name	Term
Jeffery S. Hall	Member since 2015. Confirmed to term that expired on Oct. 13, 2018. Designated as chairman and CEO on Jan. 20, 2025. Serving until a successor is confirmed. Successor's term will expire on Oct. 13, 2030.
Glen R. Smith	Member since 2017. Confirmed to term that expired on May 21, 2022. Chairman and CEO from Jul. 17, 2019, to Oct. 20, 2022. Serving until a successor is confirmed. Successor's term will expire on May 21, 2028.
Vacant	Term would expire on May 21, 2026.

Source: CRS using data from FCA, "About Us."

On January 20, 2025, President Trump designated Jeffery S. Hall as chairman and CEO of FCA, replacing Vincent Logan as chairman. Hall has been on the FCA Board since 2015. Glen R. Smith has been on the FCA Board since 2017. Vincent Logan resigned from the FCA Board on March 31, 2025, creating a vacancy.

President Trump could nominate up to three board members, given that there is one vacancy and the two incumbents are serving beyond their original terms. Since 12 U.S.C. §2242(a) requires that not more than two

members may be from the same political party, a single nominee to fill the existing vacancy would require a nominee who is not a Republican because both Hall and Smith were confirmed for Republican positions. Nominees to replace Hall or Smith could be both Republican if the vacancy remained vacant or was filled by a Democrat or other nominee who is not Republican. The most recent time a President nominated someone outside his party was in 2015, when President Obama nominated Hall for a Republican position on the board. A nominee for the vacant term expiring in 2026 could be reappointed, since the partial term would be filled for less than three years.

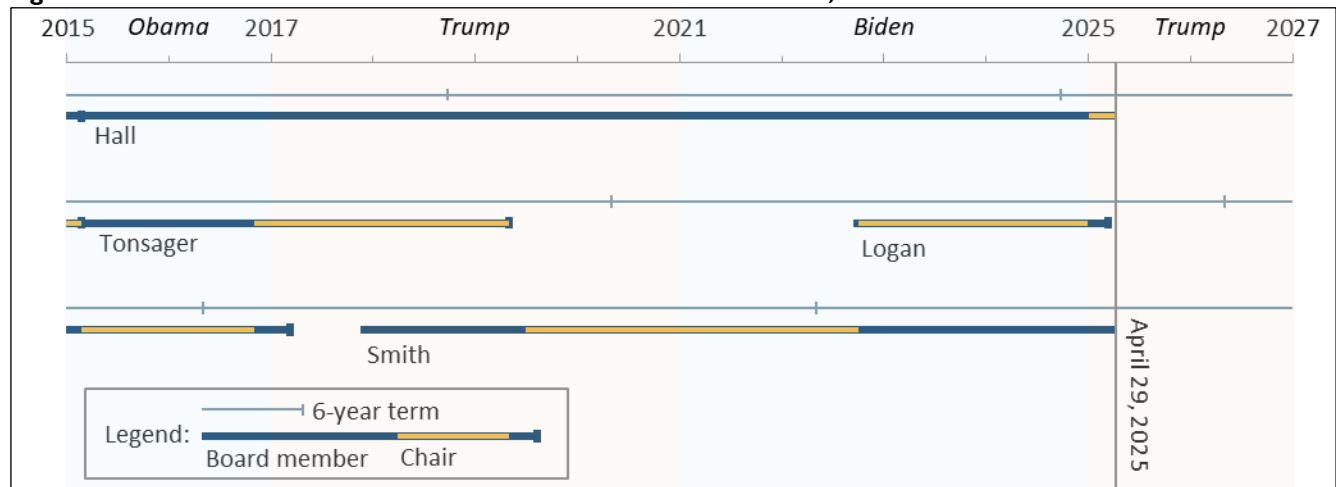
History of Board Members

Figure 1 is a timeline showing the new terms available since 2015 and the service of the two current board members. The timeline shows that terms are fixed, six years in length, and staggered (gray lines). A board member's service depends on Senate confirmation and may extend beyond the end of a term (blue lines) until a successor is confirmed. Service as chairman is by presidential appointment (gold lines).

FCA has operated with a two-member board in recent years. A two-member board is necessary for a quorum to conduct business (12 U.S.C. 2242(c)). FCA generally had maintained a three-member board from 2002 to May 2019 (upon the death of Dallas Tonsager)—except for about eight months in 2017 (after the death of Kenneth Spearman) and five months in 2009 (not shown). The 40-month vacancy from 2019 to 2022 was the longest period at FCA with a two-member board.

Maintaining a full board had been possible because board members typically served until their successors were confirmed. Hall's 10 years of service with continuation after the end of his term in 2018 makes him the longest-serving board member in FCA history.

Figure 1. Farm Credit Administration Board Members and Chairmen, 2015-2025



Source: Figure created by CRS using data from FCA, "About Us."

Notes: Terms (in gray) are six years, fixed, and staggered every two years. Service as a board member (in blue) depends on Senate confirmation and may exceed a term until a successor is in place. Appointments as chairman (in gold) are named by the President. Years are graphed from January 20 to coincide with inauguration years.

Jim Monke, Specialist in Agricultural Policy

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