

NEWS RELEASE



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FCSIC Board of Directors To Assess 15 Basis Points in Insurance Premiums for Farm Credit System Accrual Loans in 2007

McLEAN, Va., January 11, 2007 — The Farm Credit System Insurance Corporation (FCSIC or Corporation) Board of Directors voted today to notify Farm Credit System institutions that the 2007 insurance premium rate for accrual loans will remain at 15 basis points. This is the maximum rate the FCSIC can assess on accrual loans. The Board did not change the other premium rates for 2007.

Corporation Chairman Leland A. Strom explained that the principal reason for a 15-basis-point assessment is continued growth in insured debt. During 2006, it is estimated that insured debt increased \$20.8 billion, or 18.3 percent, to \$134.1 billion at yearend. The FCSIC Board will meet in June 2007 to review premium rates for the year.

In other business, the Board reviewed the plan for PricewaterhouseCoopers' audit of the Corporation's 2006 financial statements.

The Corporation is managed by a three-member Board of Directors composed of the members of the Farm Credit Administration Board. In addition to Chairman Strom, Nancy C. Pellett and Dallas P. Tonsager serve as members of the Board.

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The Farm Credit System Insurance Corporation, an independent U.S. Government-controlled corporation, ensures the timely payment of principal and interest on insured notes, bonds, and other obligations issued on behalf of Farm Credit System banks.

Note: FCSIC news releases are available on the Internet. Access the FCSIC Web site at <http://www.fcsic.gov>.