

NEWS RELEASE



For Immediate Release
NR 18-03 (06-14-18)

Contact: Andrew Grimaldi, 703-883-4383

FCSIC board of directors announces no change in insurance premiums for 2018

McLEAN, Va., June 14, 2018 — The Farm Credit System Insurance Corporation board of directors voted today to maintain the current insurance premium assessment rate on adjusted insured debt at 9 basis points for Farm Credit System banks. The board also announced that it would continue assessing 10 basis points on nonaccrual loans and other-than-temporarily impaired investments.

“The board decided to maintain the premium rate on adjusted insured debt because we anticipate growth in insured obligations of 6 percent in 2018, which is within the growth range projected by FCSIC in January 2018,” said FCSIC Chairman Jeffrey Hall.

Twice a year, the FCSIC board reviews the insurance premium rate and makes adjustments, if necessary, to maintain the secure base amount, which is 2 percent of the level of adjusted insured debt outstanding at System banks. According to preliminary results as of May 31, 2018, the unallocated Farm Credit Insurance Fund level was 2.02 percent of adjusted insured debt outstanding, or \$52 million above the secure base amount.

When determining the appropriate premium assessment rate, the board considers the following factors:

- The current level of the Insurance Fund and the projected growth of insured obligations
- The likelihood of any potential Insurance Fund losses
- The financial condition of System banks and associations
- The outlook for the agricultural economy
- Any risks in the financial environment

“FCSIC will review premium rates again in September to provide guidance for 2019 premium assessments,” Chairman Hall said.

-more-

At today's meeting, the board of directors also approved the renewal of the [Policy Statement Concerning Assistance](#), which is unchanged from the policy statement approved on April 11, 2013. The statement describes how FCSIC evaluates requests for assistance from troubled institutions.

FCSIC is managed by a three-member board of directors composed of the members of the Farm Credit Administration board. In addition to Chairman Hall, Dallas Tonsager and Glen Smith serve as members of the board.

###

The Farm Credit System Insurance Corporation, an independent U.S. government-controlled corporation, insures 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 at fcsic.gov.