

For Immediate Release

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Contact: Andrew Grimaldi, 703-883-4383

FCSIC board votes to return excess funds to Farm Credit System banks

McLEAN, Va., Feb. 11, 2026 — Today, the Farm Credit System Insurance Corporation board of directors voted to approve a payment of approximately \$223.9 million in excess insurance funds to Farm Credit System banks.

By law, FCSIC maintains the Farm Credit Insurance Fund with a secure base amount equal to 2% of the Farm Credit System's adjusted outstanding insured obligations. At the end of each year, FCSIC is required to identify any funds over the secure base amount, deduct its next year's operating expenses and any current insurance obligations, and transfer the remaining funds to Allocated Insurance Reserves Accounts for each bank that pays premiums into the Insurance Fund. The FCSIC board has authority to hold the excess funds in the reserve accounts if conditions warrant.

As of Dec. 31, 2025, the total excess over the secure base amount was \$229.5 million. After subtracting \$5.6 million for the corporation's 2026 operating funds, FCSIC transferred approximately \$223.9 million to the Allocated Insurance Reserves Accounts. Today, the FCSIC board voted to return those excess funds to the System banks.

The board also voted today to set premium accrual rates for 2026 at 10 basis points, which is below the maximum premium rate of 20 basis points. FCSIC has determined that there are no current insurance obligations and that losses to the Insurance Fund are unlikely at this time. FCSIC estimates that the 10 basis point premium accrual rate will allow the System to grow up to 8.5% in 2026, while still allowing the Insurance Fund to end the year above the secure base amount.

FCSIC is managed by a three-member board of directors. In addition to Chairman Glen Smith, Jeffery Hall serves as a member of the board and there is one vacant board position.

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The Farm Credit System Insurance Corporation, a U.S. government-controlled corporation, insures the timely payment of principal and interest on obligations issued jointly by Farm Credit System banks. FCSIC manages the Farm Credit Insurance Fund, which is an asset of the U.S. government.

Note: FCSIC news releases are available on its website at www.fcsic.gov.