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## **FCSIC board votes to return excess funds to Farm Credit institutions**

McLEAN, Va., March 16, 2020 — The board of directors of the Farm Credit System Insurance Corporation approved a payment on March 12 of \$62.7 million in excess insurance funds to Farm Credit System banks.

By law, the Farm Credit Insurance Fund, which FCSIC administers, must maintain a secure base amount equal to 2% of the adjusted outstanding insured obligations of the Farm Credit System. Currently, the secure base amount is approximately \$5.1 billion.

At the end of each year, FCSIC is required to transfer any amount over the secure base amount (after deducting its operating expenses) to allocated insurance reserves accounts — one for each bank that pays premiums into the Farm Credit Insurance Fund. However, the FCSIC board has the authority to hold the excess funds if conditions warrant doing so.

Since premiums will accrue in 2020 and growth projections for the System's debt outstanding are modest, the board believes that the Insurance Fund will likely stay above the secure base amount in 2020. It has also determined that losses to the Insurance Fund are unlikely at this time.

Therefore, after subtracting \$4.4 million for the Corporation's 2020 estimated operating funds, the FCSIC board has voted to return \$62.7 million in excess funds to the System banks.

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The Farm Credit System Insurance Corporation, an independent U.S. government-controlled corporation, insures the timely payment of principal and interest on obligations issued jointly by Farm Credit System banks.

Note: FCSIC news releases are available on the internet. Access the FCSIC website at [www.fcsic.gov](http://www.fcsic.gov).