

NEWS RELEASE



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FCSIC Board of Directors Increases Insurance Premiums for 2011

McLEAN, Va., January 20, 2011 — The Farm Credit System Insurance Corporation (FCSIC or Corporation) Board of Directors voted today to increase the insurance premium assessment rate for Farm Credit System banks on their adjusted insured debt from 5 basis points to 6 basis points for 2011. The Board also announced the continued assessment of the 10-basis-point surcharge on nonaccrual loans and other-than-temporarily impaired investments.

“The Board decided to increase the premium rate on adjusted insured debt because of the projected growth in 2011 of Systemwide insured obligations,” said Kenneth Spearman, Chairman of the FCSIC Board of Directors.

According to preliminary results, the unallocated Farm Credit Insurance Fund level was 2.0 percent of insured debt outstanding, or approximately equal to the secure base amount (SBA). These numbers may be adjusted when final year-end financial information is available.

“The Corporation will review premium rates again in June 2011,” Spearman said.

Also at today’s meeting the Board approved an update to the Corporation’s Environmental Hazards Assessment Policy. This update is part of FCSIC’s ongoing program to keep policies consistent with recognized best practices.

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 Spearman, Leland A. Strom and Jill Long Thompson 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 website at www.fcsic.gov.