

## NEWS RELEASE



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**For Immediate Release**  
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### **FCSIC Board of Directors Anticipates No Change in Insurance Premium Rate for Farm Credit System Accrual Loans in 2007**

McLEAN, Va., September 12, 2006 — The Farm Credit System Insurance Corporation (FCSIC or Corporation) Board of Directors voted today to notify Farm Credit System institutions that, for planning purposes, they anticipate 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 does not anticipate changes to the other premium rates for 2007.

Corporation Chairman Douglas L. “Doug” Flory explained that the principal reason for a 15-basis-point assessment is continued growth in insured debt. As of July 31, 2006, insured debt had increased \$11.1 billion, or 9.8 percent, to \$124.4 billion. The FCSIC Board will meet in January 2007 to set premium rates for the year.

In other business, the Board approved the Corporation’s 2007 and 2008 budgets, the strategic plan for 2007–2012, and the annual performance plan. The strategic plan will be posted on the Corporation’s Web site.

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 Flory, Nancy C. Pellett and Dallas 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>.