



FARM CREDIT

System Disclosure Committee Charter

Background

The Securities and Exchange Commission (SEC) rules implementing Section 302 of the Sarbanes-Oxley Act require that disclosure controls and procedures be established and maintained. As part of those disclosure controls, the SEC recommends that a disclosure committee be created to oversee compliance with disclosure obligations. A disclosure committee should ensure that the financial and non-financial information disclosed is complete, properly summarized, and accurately reported on a timely basis.

Due to the structure of the Farm Credit System (System) and the fact that the System's quarterly and annual information statements are presented on a combined not a consolidated basis, a disclosure committee with representation from each of the Disclosure Entities should be created. This committee will ensure that the financial and non-financial information in the quarterly or annual information statement fairly presents, in all material respects, the financial condition and results of operations of each of the Disclosure Entities as it pertains to the System taken as a whole. Accordingly, the System Disclosure Committee (Committee) should be comprised of senior officers of each of the Disclosure Entities (the Banks), who collectively have overall knowledge and understanding of the business and the financial results and condition of the Bank and its affiliated Associations. With this composition, the Committee can ensure financial information provided to the Funding Corporation through each Bank's Hyperion load file and variance analysis has been appropriately summarized and accurately presented in the financial results and condition of the System.

Further, the functions to be performed by the Committee will be integrated into the current System Disclosure Program. The Disclosure Program defines the roles and responsibilities of the Funding Corporation and the Banks in the disclosure process and sets forth steps the Funding Corporation is required to take to ensure appropriate disclosure of financial and other information concerning the System to investors in Systemwide Debt Securities.

Composition

The Committee will consist of the chief financial officer of each System Bank, a credit or risk expert from one or more of the System Banks selected by the members of the Disclosure Committee, the Funding Corporation Managing Director – Financial Management Division, and the Funding Corporation General Counsel. The Managing Director – Financial Management Division will serve as the chair of the Committee. The Funding Corporation Financial Management Division staff will serve as the recording secretary to coordinate and

document the work of the Committee in concert with the due diligence procedures related to the System's annual and quarterly reporting processes. The Funding Corporation Financial Management Division staff will also coordinate the Committee's activities, including planning for meetings and teleconferences in connection with the System's annual and quarterly reporting processes, and will incorporate the Committee's comments and recommendations into the System's disclosure documents.

Duties and responsibilities

The broad duties and responsibilities of the Committee include:

1. Review and comment on financial press releases or interim press releases announcing significant developments prior to issuance.
2. Ensure that disclosure of material events is accomplished on a timely basis consistent with the Disclosure Program procedures.
3. Ensure that the disclosures made in the quarterly or annual information statement are a fair characterization of the financial condition and results of operations of the System by:
 - a. Reading and commenting on the draft quarterly or annual information statement and providing comments to the Funding Corporation Managing Director – Financial Management Division.
 - b. Meeting, in-person or via teleconference, to discuss the draft quarterly or annual information statement that includes comments of the Committee, the independent auditor, and outside disclosure counsel.
4. Assist the Funding Corporation in identifying disclosures necessary to the annual or quarterly information statement in order to provide investors in Systemwide Debt Securities with information necessary to make an informed decision and coordinate with the Funding Corporation (through the Accounting Standards Work Group) the gathering of information related to these disclosures.
5. Promote consistent accounting treatments within the System and concurrent implementation dates of accounting pronouncements.
6. Identify and address all significant accounting and disclosure matters. The Committee will develop consensus positions on these disclosure matters. If the Committee is unable to reach a consensus position on a significant disclosure matter, it will refer the matter to the System Audit Committee for resolution.
7. Produce minutes of all meetings and teleconferences that document the due diligence performed by the Committee.