**Capital Farm Credit, ACA**

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| Policy Name: | Standard of Conduct for Agents Policy |
| Functional Area: | Administrative |
| Board Approved: | December 2024 |
| Next Review Date: | Q4 2025 |
| FCA Regulation: | FCA Regulation §612.2180 |

# Authority

In accordance with the standards of conduct (SOC) regulations of the Farm Credit Administration (FCA) at 12 CFR Part §612, it is the responsibility of the board of directors (BOD) of each Farm Credit System (“system”) institution to adopt policies and procedures that set forth the core principles of the FCA SOC regulations, including the prompt disposition of conflicts of interest, whether actual or potential. Accordingly, the following policy has been adopted by the Capital Farm Credit (CFC) BOD.

# Purpose and Objectives

Agents of CFC must maintain high standards of honesty, integrity, and impartiality to disclose known conflicts of interest, either real or apparent.

## Definitions

1. **Agent** — Any person, other than a director, officer, or employee of CFC, with the power to act for the institution either by contract or apparent authority and who (i) currently either represents CFC in contacts with third parties or (ii) provides professional or fiduciary services to CFC.
2. **Conflicts of Interest** — A set of circumstances or the appearance thereof when a person has a financial interest in a transaction, relationship, or activity that could affect (or has the appearance of affecting) that person’s ability to perform official duties and responsibilities in a totally impartial manner and in the best interest of CFC when viewed from the perspective of a reasonable person with knowledge of the relevant facts.
3. **Director** — A member of CFC’s BOD.
4. **Employee** — Any individual employed on a part-time, full-time, or temporary basis by CFC, including those identified as officers of the institution. However, persons not maintained on CFC’s payroll (i.e., independent contractors and temporary workers provided through temporary services agencies) are not employees for purposes of this definition.
5. **Family** — Parents, spouses, or civil union partners, children, siblings, uncles, aunts, nephews, nieces, grandparents, grandchildren, and the spouses of the foregoing whether arising from biological, adoptive, marital, or other legal means (e.g., stepparents, stepchildren, half siblings, or in-laws). The term also includes anyone residing in the household or who is a legal or financial dependent, regardless of any familial relationship.
6. **Financial Interest** — An interest in an activity, transaction, property, or relationship with a person that involves receiving or providing something of monetary value or other present or deferred compensation.
7. **Officer** — The salaried chief executive officer, president, vice president, secretary, treasurer, general counsel, chief financial officer, and chief lending officer of CFC, and any person not so designated but who holds a similar position of authority.
8. **Transacts Business** — The purchase, sale, lease, ownership, or management of real or personal property, or the provision of services, such as a real estate agent/broker, the sale or placement of insurance, sales barn activities, and appraisal services; the borrowing or lending of money or other things of value; providing or receiving financial, professional, or other services; and any other similar transaction.

## Requirements for Agents

Each agent must perform the following:

* Maintain high ethical standards, including high standards of care, honesty, integrity, and fairness in all aspects of the agent’s engagement.
* Exercise diligence and good business judgment in performing official duties with respect to the agent’s engagement.
* Protect all CFC’s information that comes into the agent’s possession and not divulge said information to third parties without the expressed written consent of CFC; however, this provision must not limit any confidentiality or non-disclosure provisions in any agreement between CFC and the agent or any duties or obligations in professional rules to which the agent is subject.
* Comply with all federal, state, and local laws and regulations pertaining to the agent’s engagement.
* Review and comply with this policy and the Code of Ethics (the latter is available on CFC’s website).
* Work with the Standard of Conduct Officer (SOCO) to identify and resolve reported conflicts of interest and appearances of conflicts of interest.
* Immediately contact the SOCO **or** use the [EthicsPoint Reporting System](https://secure.ethicspoint.com/domain/media/en/gui/45332/index.html) (whistleblower program accessible on CFC’s website) to report any violation of CFC’s policies (including Standard of Conduct policies and Code of Ethics) or any illegal or unethical activity associated with the operation of CFC or the Farm Credit System.
* Fulfill applicable fiduciary duties to the institution.

## Prohibited Conduct

* An agent must have no direct or indirect financial interest in the transaction for which the agent is engaged other than the compensation which is being provided for completion of the engagement.
* An agent must not give or accept any gift, contribution, or other special consideration in consideration of the agent’s engagement to perform services for CFC.
* The agent’s engagement to provide services for CFC must not be offered, negotiated, approved, or supervised by a CFC director, officer, or employee who is:
  + A member of the agent’s family; **or**
  + A business partner with which the agent transacts business.
* If an agent’s engagement involves work relating to the foreclosure or deed in lieu of foreclosure (or any similar transaction) of property held by CFC as collateral for a loan, the agent must not offer, cause to be offered for their benefit, acquire, or cause to be acquired for the agent’s benefit the property which is the subject of their engagement.

## FCA Enforcement Authorities

Agents of system institutions are “institution-affiliated parties” as that term is defined in the Farm Credit Act of 1971, as amended, and therefore subject to certain FCA enforcement authorities contained in 12 USC 2267(a) (Sec. 5.31A). An “institution-affiliated party” is:

1. A director, officer, employee, shareholder, or agent of a system institution.
2. An independent contractor (including an attorney, appraiser, or accountant) who knowingly or recklessly participates in:
   * 1. A violation of law (including regulations) that is associated with the operations and activities of one or more system institutions;
     2. A breach of fiduciary duty; or
     3. An unsafe practice that causes or is likely to cause more than a minimum financial loss to, or a significant adverse effect on, a system institution.
3. Any other person, as determined by the Farm Credit Administration (by regulation or on a case-by-case basis) who participates in the conduct of the affairs of a system institution.

# Authorities Delegated to Management and Reporting Requirements

The SOCO designated by the BOD receives reports of violations of this policy. Violations of this policy by agents and corrective actions taken are fully documented and reported by the SOCO to the BOD.

# Authorities Retained for Board Approval and Process for Addressing Exceptions

The BOD oversees policy development and final approval of this policy. Any changes to this policy require approval by the BOD. Exceptions to this policy are approved only by the BOD.