

FEDERAL AGRICULTURAL MORTGAGE CORPORATION
CORPORATE GOVERNANCE GUIDELINES

1. Board Mission

The mission of the Board of Directors (the “Board” or “Board of Directors”) of Farmer Mac (the “Company”) is to represent the interests of the shareholding body as a whole in perpetuating a business that succeeds in providing a secondary market for agricultural real estate mortgage loans, and undertaking activities to further the availability of funds for agricultural real estate mortgage loans and housing in small rural communities, all in a manner that achieves competitive financial returns and growth in Company assets over the long term.

The Board is responsible for actively ensuring that the Corporation has in place a high-performing Management Team focused on achieving this result. By fulfilling its obligations to shareholders to increase value over the long term, the Board simultaneously fulfills its responsibility to farmers, agricultural lenders, employees, and investors – all of which are essential to the Company’s success.

2. Directors’ Responsibilities

The Board of Directors fulfills its mission (directly or by delegating certain responsibilities to its committees) by:

- (a) providing advice and counsel to the Chief Executive Officer (“CEO”) and principal senior executives;
- (b) selecting, regularly evaluating, fixing the compensation of, and, where appropriate, replacing the CEO;
- (c) overseeing the conduct of the Company’s business and strategic plans to evaluate whether the business is being properly managed;
- (d) reviewing and approving the Company’s financial objectives and major corporate plans and actions;
- (e) reviewing and approving major changes in the appropriate auditing and accounting principles and practices;
- (f) providing oversight of internal and external audit processes and financial reporting;
- (g) providing oversight of risk assessment and protection processes and processes designed to ensure legal and regulatory compliance;
- (h) reviewing and approving policies regarding credit and lending programs, internal credit reviews and internal audits, asset/liability management, earnings, liquidity management and the maintenance of adequate allowances for losses; and
- (i) performing such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

To carry out these responsibilities, the Directors recognize that they have the obligation individually and collectively to pay careful attention and be properly informed.

3. Candor and Avoidance of Conflicts

The Directors recognize that candor and the avoidance of conflicts in fact and in perception are hallmarks of the accountability owed to the shareholders. Directors have a personal obligation to disclose a potential conflict of interest to the Chairman of the Board and the CEO prior to any Board decision related to the matter and, if the Chairman and/or CEO in consultation with legal counsel determines a conflict exists or the perception of a conflict is likely to be significant, to recuse themselves from any discussion or vote related to the matter.

4. Regular Executive Sessions of Non-Management Directors

The Board currently includes no Directors who are members of management. However, the CEO and other key members of management regularly attend board meetings. The Board regularly meets in executive session to discuss issues relating to management performance and any other issue that may involve a conflict concerning management. The Chairman and/or a board majority can convene an executive session, and such sessions are held at each in-person meeting. The meetings have such agendas and procedures as determined by the Directors.

5. “Presiding” or Lead Director

The Chairman of the Board convenes and chairs both the regular and executive sessions of the Board and consults with the CEO about the agenda for both sessions.

6. Formal Evaluation of the CEO

The Compensation Committee undertakes an annual evaluation of the CEO and reports its findings and recommendations to the Board. The Chairman of the Compensation Committee (together with the Chairman of the Board) communicates the Board’s conclusions to the CEO. The evaluation is based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, etc. The Compensation Committee uses the evaluation in determining the CEO’s compensation.

7. Succession Planning

The CEO reports annually to the Board on succession planning. In addition, there is available, on a continuing basis, the CEO’s recommendation on a successor in the event of a sudden resignation, retirement or disability of the CEO.

8. Management Development

The CEO reports annually to the Board on the Company's program for management development. This report is given to the Board at the same time as the succession planning report noted above.

9. Independent Directors

The Board has a majority of Directors that it has affirmatively determined lack a "material relationship" with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company), subject to the guidance provided by the Listing Rules of the New York Stock Exchange.

The Board defines a Director as lacking a material relationship and therefore "independent" if he or she:

- (a) is not and has not been employed by the Company within the past three years;
- (b) has not received more than \$100,000 per year in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service within the past three years;
- (c) is not and has not been for the past three years a significant advisor or consultant to the Company, and is not affiliated with a company or a firm that is (revenue of the greater of 2% of the other company's consolidated gross revenues or \$1 million is considered significant);
- (d) is not and has not been for the past three years a significant customer or supplier of the Company nor affiliated with a company or firm that is (revenue of the greater of 2% of the other company's consolidated gross revenues or \$1 million is considered significant);
- (e) is not and has not been for the past three years employed by or affiliated with an internal or external auditor of the company that provided services to the Company within the past three years;
- (f) is not and has not been for the past three years employed by another company where any of the Company's present executives serve on that company's compensation committee;
- (g) is not a spouse, parent, sibling, child, mother- or father-in-law, son- and daughter-in-law and brother- and sister-in-law or any person (other than household employees) who shares a residence with any person described by (a) through (f)
- (h) is not and has not been for the past three years affiliated with a tax-exempt entity that received significant contributions from the Company (revenue of the greater of 2% of the entity's consolidated gross revenues or \$1 million is considered significant); and
- (i) does not have any other relationships with the Company or the members of management of the Company that the Board has determined to be material not described in (a) through (h).

10. Director Nominations

The Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment includes issues of judgment, diversity, age, skills such as understanding of relevant technologies, financial background, etc. – all in the context of an assessment of the perceived needs of the Board at that point in time.

The Board is responsible, in fact as well as procedure, for selecting its own members and in recommending them for election by the shareholders. The Board delegates the screening process to the Corporate Governance Committee with direct input from the Chairman of the Board and the CEO. Invitations to join the Board are extended by the Board itself via the Chairman of the Board and the Chairman of the Corporate Governance Committee.

11. Orientation and Continuing Education

New Directors are provided with an orientation program that includes background material and meetings with senior members of management. The Board also provides continuing education opportunities for its members.

12. Commitment and Limits on Other Activities

Directors are expected to limit the number of other boards (excluding non-profits) on which they serve to between four (4) and six (6), with the lower limit applying to Directors who are engaged full-time in another business.

Directors are required to advise the Chairman of the Board, the CEO and the Chairman of the Corporate Governance Committee in advance of accepting an invitation to serve on another board.

13. Term and Age Limits

The Board has determined that age and term limits are not appropriate at this time. As an alternative, the Corporate Governance Committee formally reviews each Director elected by the holders of Class A and B voting stock to determine such Director's continuation on the Board at the expiration of the Director's term. The Board will consider whether it is appropriate to adopt age limits for Directors.

14. Board Compensation and Stock Ownership

The Corporate Governance and Compensation Committees evaluate annually the status of Board compensation in relation to comparable U.S. companies (in terms of size, business sector, etc.) and report their findings and recommendations to the Board.

Directors are encouraged to own stock in the Company, and to that end, part of Director compensation is provided in stock options.

15. Selection of Board Meeting Agenda Items

The Corporate Governance Committee of the Board, in consultation with the CEO, establishes the agenda for each Board meeting. A schedule of agenda subjects to be discussed for the ensuing year is usually issued at the beginning of each year (to the degree these can be foreseen). Each Board member is free to suggest the inclusion of item(s) on the agenda.

16. Board Materials and Information

Information and data that is important to the Board's understanding of the business is distributed in writing to the Board before the Board meets. Management has been asked to ensure that this material is as brief as possible while still providing the desired information.

17. Board Meeting Presentations

As a general rule, Board meeting time is reserved for discussion. Presentations on specific subjects are sent to Directors in advance so that Board meeting time may focus on questions that the Board has about the material. However, it is recognized that there may be occasions for which this general rule is not practical.

18. Attendance at Board Meetings by Senior Managers

The Board welcomes regular attendance of senior managers at Board meetings. Should the Chairman and CEO wish to suggest that a senior manager attend on a regular basis, such suggestion shall be made to the Board for its concurrence. The Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) have future potential such that management believes he or she should be given exposure to the Board.

19. Board Access to Senior Managers and Independent Advisers

Directors have access to senior management. It is assumed that Directors will use good judgment to ensure that this contact is not distracting to the business operation of the Company and that such contact, if in writing, will be copied to the CEO. Directors shall have access to the Company's independent advisers following consultation with the Chairman of the Board and CEO.

20. Board Interaction with Investors, Press, Customers and Shareholders

The Board has designated the CEO as the public speaker for the Company. Individual Board members may, from time to time, be invited by management to meet or otherwise communicate with various constituencies. In instances when public comments from the Board (as distinct from the Company) are appropriate, they should, in most circumstances, come from the Chairman.

21. Number, Structure and Independence of Board Committees

The Board currently has seven committees: Audit, Compensation, Corporate Governance, Credit, Finance, Marketing and Public Policy. Membership on the Audit, Compensation and Corporate Governance committees is limited to independent Directors. The Board retains discretion to form new committees or disband current committees depending upon the circumstances.

22. Appointment of Members to Committees

The Corporate Governance Committee recommends, after consultation with the Chairman of the Board and the CEO and with consideration of the desires of individual Board members, the appointment of Board members to various committees and the appointment of committee chairmen.

23. Annual Self-Evaluation

The Board conducts an annual self-evaluation of its performance and the performance of the audit, compensation and corporate governance committees. The evaluations are based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, etc.

24. Corporate Governance Guidelines

The Corporate Governance Committee reviews these Guidelines periodically and recommends amendment to the Board as necessary. These Guidelines are communicated to the Company's shareholders via posting on the Company's website.

Dated: February 10, 2005