



Confidential Position Specification

Farmer Mac

Chief Credit Officer

March 2020



CONFIDENTIAL POSITION SPECIFICATION

Position	Chief Credit Officer
Company	Federal Agricultural Mortgage Corporation
Location	Washington, D.C.
Reporting Relationship	Chief Executive Officer
Website	https://www.farmermac.com/about

COMPANY BACKGROUND/CULTURE

Federal Agricultural Mortgage Corporation (Farmer Mac), incorporated in 1987, provides a secondary market for a range of loans made to borrowers in rural America. Farmer Mac is a vital part of the agricultural credit markets and was created to increase access to and reduce the cost of capital for the benefit of American agriculture and rural communities. As the nation's premier secondary market for agricultural credit, it provides financial solutions to a broad spectrum of the agricultural community, including agricultural lenders, agri-businesses, and other institutions that can benefit from access to flexible, low-cost financing and risk management tools. Farmer Mac's customers benefit from low cost of funds, low overhead costs, and high operational efficiency. In fact, it is often able to provide the lowest cost of borrowing to agricultural and rural borrowers. For more than a quarter-century, Farmer Mac has been delivering the capital and commitment rural America deserves.

The Company's segments include Farm and Ranch, USDA Guarantees, Rural Utilities, Institutional Credit. Its secondary market activities are purchasing eligible loans directly from lenders; providing advances against eligible loans by purchasing obligations secured by those loans; securitizing assets and guaranteeing the payment of principal and interest on the resulting securities that represent interests in, or obligations secured by, pools of eligible loans; and issuing long-term standby purchase commitments (LTSPCs) for eligible loans. The loans eligible for the secondary market provided by Farmer Mac include mortgage loans secured by first liens on agricultural real estate, including part-time farms and rural housing (comprising the assets eligible for the Farm and Ranch line of business); agricultural and rural development loans guaranteed by the United States Department of Agriculture (USDA) (comprising the assets eligible for the USDA Guarantees line of business), and loans made by lenders organized as cooperatives to finance electrification and telecommunications systems in rural areas (comprising the assets eligible for the Rural Utilities line of business).

Farm and Ranch

The Company purchases eligible mortgage loans secured by first liens on agricultural real estate and rural housing under the Farm and Ranch line of business. Farmer Mac guarantees securities representing interests in eligible Farm and Ranch loans or participation interests in those loans held by a trust or other entity. Farmer Mac also purchases, subject to the terms of the applicable LTSPC agreement, eligible Farm and Ranch mortgage loans. Farmer Mac includes its part-time farm loans and rural housing loans in the Farm and Ranch line of business. As of December 31, 2016, Farmer Mac had 638 approved lenders eligible to participate in Farmer Mac's Farm and Ranch line of business, ranging from single office to multi-branch institutions, spanning community banks, Farm Credit System (FCS) institutions, mortgage companies, commercial banks, and insurance companies.



USDA Guarantees

Farmer Mac II LLC, a subsidiary of Farmer Mac, purchases the portions of certain agricultural, rural development, business and industry, and community facilities loans guaranteed by the USDA. Farmer Mac refers to the USDA-guaranteed portions of loans as USDA Securities. Farmer Mac II LLC also purchases USDA Securities in exchange for issuing securities to third-parties backed by the USDA Securities, which are also guaranteed by Farmer Mac (Farmer Mac Guaranteed USDA Securities).

Rural Utilities

Under the Rural Utilities line of business, Farmer Mac purchases, and guarantees securities backed by, rural electric and telephone loans made by lenders organized as cooperatives to borrowers. Farmer Mac's Rural Utilities line of business includes purchases of eligible rural utilities loans and guarantees of securities backed by the loans, as well as the issuance of LTSPCs for pools of eligible rural utilities loans.

In addition to rural utility, Farmer Mac provides structured product financing to renewable energy companies.

Institutional Credit

Under the Institutional Credit line of business, Farmer Mac provides advances against eligible loans by guaranteeing and purchasing general obligations of institutions approved by Farmer Mac, which obligations are also secured by a pool of guaranteed securities or the types of loans eligible for an over one of Farmer Mac's other lines of business. AgVantage is a trademark of Farmer Mac used to designate Farmer Mac's guarantees of securities related to these general obligations of lenders that are secured by pools of eligible loans and that comprise the Institutional Credit line of business.

THE ROLE

As a member of the Senior Leadership Team reporting directly to the Chief Executive Officer, the Chief Credit Officer (CCO) will contribute to the overall growth and maturation of the organization. He/she will build new competencies and capabilities within the Credit Risk organization and support similar advancements across other areas of the company as required. The CCO will be directly responsible for leading Farmer Mac's development and implementation of credit guidelines and policy for all lines of business, and portfolio weighting objectives. He/she will monitor credit underwriting by each respective line of business, Chair the Credit Policy Committee and credit approval function(s), and monitor and report credit metrics with periodic testing and validation of results relative to guidelines, policy and portfolio objectives. The CCO will work closely with all underwriting teams, the Enterprise Risk Officer(s) and Credit Review Officer(s) to ensure timely reporting of any material deviations from policy and emerging portfolio concern. Namely the CCO coordinates the management and work-out of problem credits and works closely with legal counsel through the collections process if necessary, recommending appropriate strategies to management and board.

Further, as a senior officer of the organization, the CCO is expected to contribute to the overall business strategy and vision through collaboration with key functional leaders including but not limited to Business Development, Enterprise Risk Management, Finance, IT and other members of the Senior Leadership team. Additionally, the CCO needs a firm understanding of market and industry dynamics and is responsible for maintaining relationships with other industry and business professionals who are directly related to the various markets Farmer Mac serves.



KEY RESPONSIBILITIES

- Indirectly oversee underwriting practices all lines of business including Farm and Ranch.
- Directly manage and continuously adjust the organization's credit risk policies. Work with broader senior leadership team to ensure the credit risk policies and guidelines are reflective of the overall business strategy and risk appetite of the organization. Work with business unit and underwriting leaders to ensure policies are adhered to.
- Oversee and provide active management of the credit administration, approval and analysis function including the development and oversight of credit risk rating methodologies.
- Ensure that risk ratings models and other credit analytics activities meet and exceed both regulatory expectations and business needs, providing value through strategic insights.
- Work closely with data science and analytics teams to interpret trends and patterns in lending data. Incorporate findings into creation of more nuanced, data-informed credit policies.
- Coach and mentor highly qualified credit teams aligned with the lines of business. Grant authorities appropriate for each position, set standards of performance, and evaluate performance of managers.
- Develop and oversee appropriate portfolio management reporting.
- Chair the Credit Policy Committee. Recommend modifications that reflect developing risks, economic conditions and projections, and the competitive environment. Provide guidance related to procedures and documentation of actions, recommendations for further delegation and approval authority, adequacy of the allowance for loan losses, concentration limits, and recommendations for official committee positions.
- Management sponsor of the Board Credit Committee. Monitor and report timely on the quality of the loan portfolio, distressed loans, and industry issues and opportunities in coordination with the Enterprise Risk Officer other senior leaders.
- Responsible for overall guidance and policy on the acceptance and appraisal of collateral associated with lending transactions. Lead interaction with third-party appraisers. Also responsible for overall policy, guidance and oversight of loan closing.
- Member of various executive level committees as assigned.
- Oversee management of distressed and problem loans and REO properties.
- Senior Leadership team level participation in the development and implementation of Farmer Mac's strategic plan and objectives
- Partner with IT and other adjacent department on implementing appropriate applications and other systems.

PROFESSIONAL EXPERIENCE/QUALIFICATIONS

- >15 years of progressive responsibility in credit risk roles, with a strong preference for direct expertise in agricultural banking environment.
- Interest in and experience with data-driven 'scorecard' underwriting of more standardized transactions including 'hands-on' data analysis.
- Experience with 'large bank' commercial and syndicated loans including 'state of the art'/market-based structure and covenant packages.



- Excellent familiarity with loan underwriting and risk rating standards, including experience with implementation of credit risk guidelines and methodologies, across the agriculture spectrum.
- Ability to translate experience and market standards to clear, well-written policy and guidelines, and to be effective in training and explaining rationale up and down the organization.
- Confidence to operate independently and firmly, when required, while maintaining commitment to transparency and effective collaboration.
- Agriculture lending environment experience required; agribusiness, rural electric cooperative and project finance preferred. Note that the latter may be overcome by demonstrated inquisitiveness and capacity to learn.

EDUCATION

BA/BS required; MBA preferred.

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