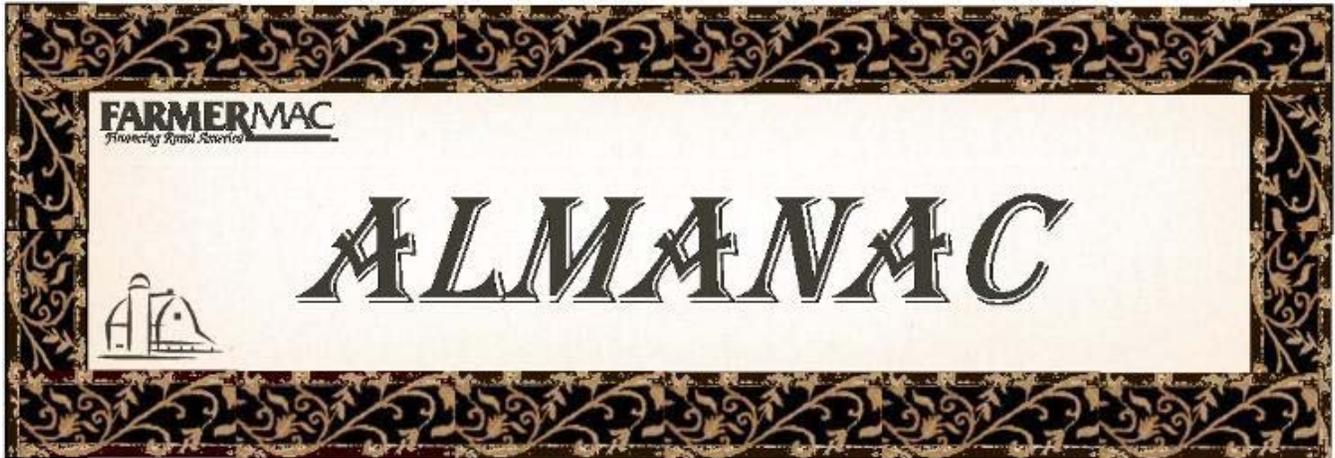


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Vol. 9

A bi-monthly update of  
important upcoming events

March 20, 2009

Farmer Mac is the Congressionally-chartered secondary market for agricultural real estate, rural housing and rural utilities loans as well as many USDA guaranteed loans. The Almanac communicates important upcoming events and announcements to agricultural lenders. You can receive answers to your questions about Farmer Mac via [opportunities@farmermac.com](mailto:opportunities@farmermac.com) or by calling 800-879-3276.

**Current Headlines:**

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**Upcoming Farmer Mac events, including presentations, conferences, sponsorships, exhibits and rollout dates for website revisions:**

- Mar. 3-4: Wisconsin Bankers Association; Agricultural Bankers Conference; Wisconsin Dells, WI. Farmer Mac was a sponsor and exhibitor.
- Mar. 18: LEAD Maryland (ag leadership class); Farmer Mac is a sponsor and presenter during their meeting in Washington, D.C.
- Mar. 18-22: Independent Community Bankers of America (ICBA); 2009 ICBA National Convention and Techworld; Phoenix, AZ. Farmer Mac is a Ruby Level Sponsor, presenter, and exhibitor. See [icba.org](http://icba.org) for registration information (Convention).
- Mar. 20: Seller Bulletin will be published announcing updates to the Farmer Mac Seller/Service Guide available on the Farmer Mac website.
- Mar. 22-24: Iowa Bankers Association; Ag Bankers Conference; Ames, IA. Farmer Mac representatives will attend.
- Mar. 26-27: Montana Bankers Association; Ag Bankers Conference; Bozeman, MT. Farmer Mac is a sponsor and presenter.
- Mar. 26-27: Kansas Bankers Association; Ag Bankers Conference; Manhattan, KS. Farmer Mac is a reception sponsor, presenter and exhibitor.

- Apr. 8-9: Nebraska Bankers Association; Spring Agri-Business Conference; Kearney, NE. Farmer Mac is a luncheon sponsor, presenter and exhibitor.
- Apr. 14-16: Oklahoma Bankers Association; Oklahoma Ag School; Oklahoma City, OK. Farmer Mac is a sponsor and presenter.
- Apr. 15-17: South Dakota Bankers Association; Ag Credit Conference; Pierre, SD. Farmer Mac is a breakfast sponsor, presenter and exhibitor.
- Apr. 16-17: Colorado Bankers Association; Ag and Natural Resources Conference; Golden, CO. Farmer Mac is a breakfast sponsor, presenter and exhibitor.
- Apr. 27-29: Indiana Bankers Association; Mega Trade Show; Indianapolis, IN at the Convention Center. Farmer Mac is an exhibitor.

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### ***Farmer Mac Appoints Michael A. Gerber as President and Chief Executive Officer***

On March 11, 2009, Farmer Mac's Board of Directors announced the appointment of Michael A. Gerber as President and CEO of Farmer Mac, effective immediately. Mr. Gerber served as Acting President and CEO of Farmer Mac since October 1, 2008 while the Board conducted a search for the permanent CEO.

In the Board's announcement, Lowell L. Junkins, Acting Chairman of the Board, noted that "Mike Gerber has provided tremendous leadership to Farmer Mac over the last five months – a critical time period for the company. During his tenure, the company has successfully raised net new capital of \$115 million through private investors and implemented a new program to encourage guarantee and purchase transactions with commercial banks and Farm Credit System institutions. Mike has the vision and leadership skills to advance Farmer Mac's mission and continue Farmer Mac's invaluable service to rural America."

Mr. Gerber served as President and CEO of Farm Credit of Western New York, an association in the Farm Credit System, from 1998 through February 2009 and has been a member of the Farmer Mac Board since June 2007.

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### ***Check Out the Farmer Mac Rates!***

Farmer Mac rates fell across the board on Wednesday, March 18, responding to the drop in bond yields following the Federal Reserve's announcement that it would pump an extra \$1 trillion into the mortgage market and longer-term Treasury securities. The Fed now plans to purchase an additional \$750 billion worth of government-guaranteed mortgage-backed securities (\$500 billion was announced earlier), boost its purchase of Fannie Mae and Freddie Mac debt to \$200 billion, and buy up to \$300 billion worth of longer-term Treasury securities.

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### ***Farmer Mac Outlines Multi-Purpose Benefits at ABA Community Bankers Conference***

Farmer Mac's Platinum-level sponsorship at the ABA National Conference for Community Bankers highlighted four of the available choices for transactions with Farmer Mac: two types of transactions for loan portfolios (AgVantage® and Long-Term Standby Commitment to Purchase) and two types of transactions for single loans (Farmer Mac I Farm and Ranch Loans and Farmer Mac II USDA Guaranteed Loans).

John Blanchfield, ABA's SVP Ag and Rural Banking, joined Farmer Mac staff as one of the presenters at the industry showcase session and also devoted time at Farmer Mac's exhibit booth to meet attendees who stopped by to learn more about Farmer Mac's programs and the ABA/Farmer Mac Alliance.

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### ***Good News for Farmer Mac I Farm and Ranch Program! Four-Week Rate Locks Now Available for 1-Month ARM LIBOR and AgEquity Prime***

Each day Farmer Mac posts the rates for all Farmer Mac I and Farmer Mac II products. Farmer Mac offers rate lock options for 1 week, 4 weeks and 8 weeks. The 4-week pricing is the one that is listed on the rate sheets because it is the most popular selection in terms of balancing the rate with flexibility and timing. Up until now, the rate sheet indicated that two of the Farmer Mac I Farm and Ranch products, the 1-Month ARM LIBOR and the AgEquity PRIME, were available for 1-week rate lock only. Beginning March 20, 2009, that restriction will no longer appear on the rate sheet and all Farmer Mac I and II products will offer the 4-week rate lock option.

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### ***How Is Farmer Mac Responding to Volatility in the Ag Sector?***

Collateral valuations are an important part of Farmer Mac loan requirements with the objective to ensure candid, impartial and reliable information about the secured property. Farmer Mac's Collateral Valuation Supplement reminds Sellers that:

1. Farmer Mac will not purchase any new loan secured by property with a date of value more than one year (365 days) prior to the date of purchase by Farmer Mac, and
2. Any appraisal or evaluation that is over one year old at the time the related loan is sold to Farmer Mac must be updated or a current appraisal or evaluation must be obtained.

With continued volatility in many agricultural commodities, both Sellers and Farmer Mac underwriters are seeing properties being offered for security that quite possibly decreased in value since the last valuation, even though the date of the valuation is within the one-year time frame that is generally accepted by Farmer Mac. In cases where there is reason to believe those values may have changed, Farmer Mac underwriters may request a new updated appraisal or evaluation.

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### ***Visit with Farmer Mac at the ICBA National Convention and Techworld!***

The Independent Community Bankers of America (ICBA) and Farmer Mac entered into a new program in January. That program will be featured at the Farmer Mac booth and a special workshop at the 2009 ICBA National Convention and Techworld to be held in Phoenix, AZ, in March. The workshop, titled "New ICBA/Farmer Mac Ag Lending Program – Ready, Set, Grow!", will take place on Thursday, March 19 and will review the benefits the program will bring to ICBA members, which includes discount pricing for several popular Farmer Mac I Farm and Ranch products:

- 1-month ARM LIBOR
- 10-year VRM with 15/20-year term
- 10-year VRM with 25/30-year term
- 5-year VRM (yield maintenance)

All Farmer Mac I Sellers that are ICBA members are automatically enrolled. Mark Scanlon, ICBA Vice President, Agriculture and Rural Policy, reports excitement among ICBA members about the new program and that many ICBA banks are planning various ways to incorporate benefits of the secondary market into their future strategies.

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### ***AgVantage® Fills Need for Liquidity***

With almost 44 percent of the 8,393 banks listed on the FDIC website showing loan/deposit ratios (net loans and leases to deposits) greater than 90 percent at the end of third quarter 2008, many institutions that regularly sell individual loans to Farmer Mac are beginning to learn about the value of AgVantage®, a type of transaction offered by Farmer Mac for loan portfolios.

AgVantage® helps lenders gain liquidity through the lender's decision to pledge qualified agricultural mortgage loans as security for bonds issued by the lender and purchased by Farmer Mac. The minimum bond issuance is \$500,000. The maximum bond issuance is the lesser of three amounts: (1) \$50 million (\$25

million for banks selecting a bond term greater than five years), (2) five times the lender's capital, or (3) 20 percent of the lender's assets.

Farmer Mac's overcollateralization requirement for most AgVantage® transactions is 120 percent which translates into an advance rate of 83percent. With that overcollateralization level, Farmer Mac can advance \$833,000 for every \$1 million of loans offered as security.

AgVantage® rates are posted each day in the password-protected area of the Farmer Mac website, [www.farmermac.com](http://www.farmermac.com). For more information, contact the Farmer Mac Marketing Department.

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### ***Customer Response and Opinion Panel Provides Valuable Feedback***

Representatives from sixteen Farmer Mac Seller institutions are members of Farmer Mac's Customer Response and Opinion Panel (CROP). The group regularly provides feedback for Farmer Mac as we seek new ways to design, develop and market beneficial products for our customer base, all with an eye to helping Farmer Mac Sellers reach more customers. We always welcome new members to CROP. If you would like to join the group, please contact the Farmer Mac Marketing Department.

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