SNEAK PEEK of our NEW eFarmerMac.com
Get a first look at what’s hatching!
We’re cracking away at a fresh, new eFarmerMac.com.

MAY

HATCHING: SPRING 2020

Great Reimagined
This spring we’re launching our redesigned eFarmerMac.com customer portal, featuring:

- A clean, modern design
- Intuitive navigation
- Simplified user management
- Dedicated area for alerts and announcements
eFarmerMac.com users will still access our solutions as you do today.

We’ve just made it BETTER.
This is what BETTER looks like . . .

Modern Design | Visual Appeal

Important Alerts

Self-Service Password Reset

Marketing and Call to Action

Customer Service
This is what BETTER looks like . . .

Intuitive Navigation

Multiple ways to access our Solutions

Rates

Resource Library
This is what BETTER looks like . . .

ONE-STOP SHOP for all training and support resources.
This is what BETTER looks like . . .

Efficient and user-friendly.

Images of materials.

View on-screen without opening the document.

Option to View or Download.
This is what BETTER looks like . . .

Always be in the know. Dedicated and reliable area for special alerts and announcements.
This is what BETTER looks like . . .

Knowing where to go for help just got easier!
Register Today!

The New eFarmerMac.com Customer Portal

- Access and manage your profile and permissions,
- Access solutions, submit deals and view current applications,
- Understand user vs. seller administrator permissions and functionality, including how to manage users and view user stats through our new dashboard feature,
- View rate sheets,
- Access valuable tools, forms, checklists, and training materials in the Resource Library,
- Stay informed with important alerts and announcements.

TRAINING WEBINARS

Be ready to hit the ground running

SESSION 1
Tuesday, April 28th
2:00 p.m. CT

SESSION 2
Monday, May 4th
10:00 a.m. CT
We’re cracking away at a fresh, new eFarmerMac.com.

MAY

HATCHING: SPRING 2020

Great Reimagined
Overview from Farmer Mac’s Treasury Team

Anthony Fioravante
Agenda

- Overview of Farmer Mac’s Funding Program
- Current Interest Rate Environment
- Farmer Mac’s Loan Products
Farmer Mac Overview
Farmer Mac Overview

**Farmer Mac’s Vital Role and Unique Strengths**

**GSE and Instrumentality of the United States**
- Created by Congress in 1987
- $1.5 billion line of credit with U.S. Treasury
- Eligible for purchase by Federal Reserve Banks
- Publicly-traded debt securities exempt from SEC registration

**Superior Market Access**
- Uninterrupted daily access to the debt capital markets
- Debt costs correlate with those of other GSEs
- Over 30 approved dealers provide liquidity in debt securities to the capital markets
- Debt issued through the Federal Reserve book entry system

**Broad and Independent Oversight**
- Regulated by the Farm Credit Administration
- Oversight through Senate and House Agricultural Committees
- Subject to SEC regulations

**Exceptional Financial Strengths**
- No credit losses in the Rural Utilities, USDA, and Institutional Credit lines of business
- Historical cumulative credit losses of only 0.13% on $26 billion of volume
- Portfolio average loan-to-value ratio of 44%
- Tier 1 capital ratio of 13.2%
- Core capital of $793 million, $185 million above statutory minimum capital requirement
- $3.7 billion liquidity investment portfolio, providing 199 days of contingent sources of liquidity

**Debt Securities Carry Privileges for Investors**
- Classified as a “Government Security” under Investment Company Act of 1940
- Carries a 20% capital risk weighting for Federally regulated entities
- Eligible collateral for the discount window at Federal Reserve Banks
- Has a #1 designation by the National Association of Insurance Commissioners
- Eligible investment for credit unions under the National Credit Union Administration’s guidelines

**Debt Securities Not Rated by a NRSRO**
- GSE status allows continuous and cost effective access to the U.S. Agency debt markets
- Debt funding demand in excess of needs
- Benefit of credit rating does not outweigh the material dollar cost and time requirements
- GSEs and Instrumentalities of the United States are often exempt from NRSRO rating requirement
- Many investors cannot use NRSRO ratings as investment criteria
Treasury Funding

- Funding desk tasked with strategy and execution for funding program
  - Debt program consists of discount notes, fixed rate bonds, floating rate bonds and callable bonds
  - Funding program over $19 billion debt outstanding as of 12/31/2019

- Funding desk also charged with execution of hedging strategies across portfolio
  - Interest Rate Swap program approximately $13 billion as of 9/30/2019
  - Farmer Mac also uses Treasury futures contracts as a hedge vehicle

Source: Farmer Mac website, 10-Q as of 9/30/2019 and Debt Investor Marketing Materials
Interest Rate Market Update
Interest Rate Market – Short Term Rates

- The Fed cut the target rate to 0.00%-0.25% in an emergency move on Sunday March 15

- The market expects the Fed Funds rate to remain within 5 basis points for the next 12 months

- Short-term US Treasury bill rates are now below zero (!) as investors have fled to high quality assets
Interest Rate Market – Long Term Rates

- The 10 year US Treasury has dropped over 100bps in since the beginning of 2020 to near record lows
- Mortgage rates, relative to US Treasury rates, have widened out in near lockstep offsetting the lower Treasury rates
  - Benefit of lower Treasury rates not being passed through to mortgage rates
  - Largely due to recent volatility making hedging and funding mortgages more expensive

10yr US Treasury Yield  Barclays Mortgage Backed Securities Spread Index
Farmer Mac Loan Products
Farmer Mac offers loans with initial fixed rates as short as 1-month all the way out to a 30yr fixed rate mortgage.

Variable Rate Mortgage loans “VRMs” are closely tied to Farmer Mac’s funding costs in the capital markets.

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<th>Products</th>
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Thank you!