

under this paragraph may impose appropriate conditions, such as requiring execution of a written disqualification.

## 12 CFR CHAPTER XIV—FARM CREDIT SYSTEM INSURANCE CORPORATION

2. Part 1401.1 is added to read as follows:

### PART 1401—EMPLOYEE RESPONSIBILITIES AND CONDUCT

**Authority:** 5 U.S.C. 7301; 12 U.S.C. 2277a-7.

#### § 1401.1 Cross-references to employee ethical conduct standards and financial disclosure regulations.

Board members, officers, and other employees of the Farm Credit System Insurance Corporation are subject to the Standards of Ethical Conduct for Employees of the Executive Branch at 5 CFR part 2635, the Farm Credit System Insurance Corporation regulation at 5 CFR part 4001, which supplements the Executive Branch-wide Standards, and the executive branch-wide financial disclosure regulations at 5 CFR part 2634.

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## FARM CREDIT ADMINISTRATION

### 5 CFR Part 4101

### 12 CFR Part 601

RIN 3052-AB50, 3209-AA15

#### Supplemental Standards of Ethical Conduct for Employees of the Farm Credit Administration

**AGENCY:** Farm Credit Administration (FCA or Agency).

**ACTION:** Interim rule; request for comments.

**SUMMARY:** The Farm Credit Administration, with the concurrence of the Office of Government Ethics (OGE), is issuing as an interim rule regulations for the officers and employees of the FCA that supplement the Standards of Ethical Conduct for Employees of the Executive Branch (Executive Branch-wide Standards) issued by OGE. The interim rule is a necessary supplement to the Executive Branch-wide Standards because it addresses ethical issues unique to FCA programs and operations. The interim rule establishes regulations imposing prohibitions on the ownership of certain financial interests; prohibitions on certain forms of borrowing and extensions of credit; limitations on purchases of assets

owned by Farm Credit System (System) institutions, conservatorship or receivership assets, or certain assets held by the Farm Credit System Insurance Corporation (Corporation); restrictions arising from the employment of relatives; a prohibition against involvement in Farm Credit System board member elections; and restrictions on outside employment and business activities. The FCA is also repealing its current regulations on these subjects and replacing them with a single section that provides cross-references to the Executive Branch-wide Standards and financial disclosure regulations, as well as these new supplemental regulations.

**DATES:** This interim rule is effective upon the expiration of 30 days after publication in the **Federal Register** during which either or both Houses of Congress are in session. Notice of effective date will be published in the **Federal Register**. Comments must be submitted on or before July 12, 1995.

**ADDRESSES:** Comments should be mailed or delivered (in triplicate) to Patricia W. DiMuzio, Associate Director, Regulation Development, Office of Examination, Farm Credit Administration, McLean, Virginia 22102-5090. Copies of all comments will be available for examination by interested parties in Regulation Development, Office of Examination, Farm Credit Administration.

**FOR FURTHER INFORMATION CONTACT:** Eric Howard, Policy Analyst, Regulation Development, Office of Examination, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4498, or

Wendy R. Laguarda, Senior Attorney and Deputy Ethics Official, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4234, TDD (703) 883-4444.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

On August 7, 1992, OGE published Executive Branch-wide Standards for employees of the executive branch. See 57 FR 35006-35067, as corrected at 57 FR 48557 and FR 52583, with additional grace period extensions at 59 FR 4779-4780 and 60 FR 6390-6391. The Executive Branch-wide Standards are codified at 5 CFR part 2635. Effective February 3, 1993, they established uniform ethical conduct standards applicable to all executive branch personnel.

With the concurrence of OGE, 5 CFR 2635.105 authorizes executive branch

agencies to publish agency-specific supplemental regulations necessary to implement their respective ethics programs. The FCA, with OGE's concurrence, has determined, in light of the FCA's unique programs and operations, that the following supplemental regulations, being codified in new chapter XXXI, consisting of part 4101, of 5 CFR, are necessary to implement the Agency's ethics program successfully.

## II. Analysis of the Regulations

### Section 4101.101—General

Section 4101.101 explains that the regulations contained in the interim rule apply to FCA employees and supplement the Executive Branch-wide Standards. Farm Credit Administration employees must comply with the Executive Branch-wide Standards, the supplemental regulations in this interim rule, and FCA guidance and procedures issued pursuant to the Executive Branch-wide Standards and these supplemental regulations.

### Section 4101.102—Definitions

Section 4101.102 identifies and defines the unique terms used in the supplemental regulations. The term "covered employee" is intended to include all FCA examiners and any other employee specified as such by FCA directive whose duties and responsibilities require application of these supplemental regulations to ensure public confidence that the FCA's programs are conducted impartially and objectively. The FCA Designated Agency Ethics Official (DAEO) or his or her designee, in consultation with the Office Directors, will determine which employees are covered for purposes of this regulation.

The term "related entity" is intended to be broadly interpreted and includes agricultural mortgage marketing facilities established by System institutions, affiliates of the Federal Agricultural Mortgage Corporation, service organizations established by the System banks, and all other entities owned or controlled by one or more System institutions that are not chartered by the FCA.

The term "System institution" refers to all institutions chartered and regulated by the FCA, and also includes the Federal Farm Credit Banks Funding Corporation and the Federal Agricultural Mortgage Corporation.

### Section 4101.103—Prohibited Financial Interests

(a) *Prohibition.* Section 4101.103(a) prohibits a covered employee, or a