INDEPENDENT COMMUNITY BANKERS of AMERICA®

September 26, 2022

Via Electronic Submission

Autumn R. Agans, Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102–5090

RE: Cyber Risk Management — RIN: 3052–AD53

Dear Ms. Agans:

On behalf of the Independent Community Bankers of America ("ICBA"),[1] we appreciate the opportunity to provide comments to the Farm Credit Administration ("FCA") which is proposing modifications to FCA regulation part 609[2] to codify existing expectations and ensure the relevance and adequacy of risk management practices, corporate governance, and internal control systems for conducting business in an electronic environment.

Recommendations

ICBA frequently engages its members and works closely with the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit

[1] *The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. ICBA is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.*

With nearly 50,000 locations nationwide, community banks constitute 99 percent of all banks, employ nearly 700,000 Americans and are the only physical banking presence in one in three U.S. counties. Holding more than $5.8 trillion in assets, over $4.9 trillion in deposits, and more than $3.5 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers' dreams in communities throughout America. For more information, visit ICBA's website at www.icba.org

[2] 12 CFR § 609

Insurance Corporation (collectively, the "Agencies") to explore how to best secure the Financial Services Sector and to keep customer information and data safe. The following reflects ICBA's comments on the disparate cybersecurity and cyber risk regulations that exist between what is required of banks by the Agencies and what is required of FCA System Institutions. ICBA encourages the FCA to harmonize cybersecurity and cyber risk regulation and guidance with that of the Agencies.

Cyber Risk Management

The FCA proposes adding additional requirements to assess institution risk and identify potential points of vulnerability, and establish a risk management program for the institution's identified risks. FCA is also proposing requirements to consider privacy and legal compliance issues surrounding cyber risk, develop an incident response plan, develop a cyber risk training program, set policies for managing third-party relationships, maintain robust internal controls, and establish institution board reporting requirements. However, this is a subset of requirements that are part of the Agencies' regulations and guidance that apply to banks.[3][4][5]

Community banks are regulated and examined by existing rules, regulations, and guidance on risk standards, including, but not limited to those requirements outlined in the FFIEC IT Handbook[6] and accompanying examination materials. Additionally, community banks are subject to the requirements set forth in the Gramm-Leach-Bliley Act and its implementing regulations established by the banking regulators. Included in the rules for community banks is a requirement to establish an information security program, risk mitigation, and risk reporting which:

- Ensures the security and confidentiality of customer information;
- Protects against any anticipated threats or hazards to the security or integrity of such information; and
- Protects against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer.[7]

To keep customer information and data safe, ICBA suggests that the FCA should harmonize FCA cybersecurity and cyber risk regulation and guidance with that of the Agencies to ensure that the FCA System Institutions are operating in a safe and sound manner.

The Farm Credit System ("FCS") is a government sponsored enterprise (GSE) which is heavily subsidized by taxpayers through tax-exempt interest income, retained earnings, and numerous other benefits. A failure of the FCS, which occurred in the 1980s and necessitated a government

[3] OCC | Bank Information Technology (BIT) Issuances. Accessed September 23, 2022.
[4] FRB | Supervisory Policy and Guidance Topics. Accessed September 23, 2022.
[5] FDIC | Information Technology (IT) and Cybersecurity. Accessed September 23, 2022.
[6] FFIEC IT Examination Handbook InfoBase - Information Security. Accessed September 23, 2022.
[7] FDIC | FDIC Law, Regulations, Related Acts. Accessed September 23, 2022

bailout, would result in additional significant taxpayer expenses. Therefore, abiding by the same requirements as adhered to by the banking industry is appropriate and necessary to ensure FCS activities are covered by strong safety and soundness requirements.

Conclusion

ICBA greatly appreciates the opportunity to provide comments in response to this request, and ICBA asks that the FCA carefully consider our comments and suggestions as they work to modernize FCA regulations.

If you have any questions, please do not hesitate to contact me at Joel.Williquette@icba.org or (202) 821-4454.

Sincerely,

/s/

Joel Williquette
Senior Vice President, Operational Risk Policy