



FARM CREDI

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12 CFR Part 618

RIN 3052-AD65

General Provisions

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: The Farm Credit Administration (FCA, we, us or our) is issuing a final rule amending FCA's business planning requirements to comply with Executive Order 14219.

DATES: The regulation will become effective 30 days after publication in the Federal Register during which either or both houses of Congress are in session. Pursuant to 12 U.S.C. 2252(c)(1), FCA will publish notification of the effective date in the Federal Register.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

I. Background

On February 19, 2025, Executive Order (EO) 14219, "Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative," was signed by President Trump. The EO directed agencies to review all

regulations for consistency with law and Administration policy. The EO specified seven classes of regulations that agencies, in consultation with the Office of Information and Regulatory Affairs (OIRA), were required to rescind or modify.

FCA reviewed its regulations pursuant to EO 14219. Following the conclusion of our review, FCA identified several provisions in one regulation that meet one of the classes of regulations listed in EO 14219. The table below summarizes our review of our regulations:

Classes of Regulations:	Affected FCA Regulations:
i. unconstitutional regulations and regulations that raise serious constitutional difficulties, such as exceeding the scope of the power vested in the Federal Government by the Constitution;	Not applicable
ii. regulations that are based on unlawful delegations of legislative power;	Not applicable
iii. regulations that are based on anything other than the best reading of the underlying statutory authority or prohibition;	Not applicable
iv. regulations that implicate matters of social,	<ul style="list-style-type: none"> • § 618.8440(b) (2) (ii) • § 618.8440(b) (7) (iii)

<p>political, or economic significance that are not authorized by clear statutory authority;</p>	<ul style="list-style-type: none"> • § 618.8440(b) (8) (ii) • § 618.8440(c)
<p>v. regulations that impose significant costs upon private parties that are not outweighed by public benefits;</p>	<p>Not applicable</p>
<p>vi. regulations that harm the national interest by significantly and unjustifiably impeding technological innovation, infrastructure development, disaster response, inflation reduction, research and development, economic development, energy production, land use, and foreign policy objectives;</p>	<p>Not applicable</p>
<p>vii. regulations that impose undue burdens on small business and impede private enterprise and entrepreneurship.</p>	<p>Not applicable</p>

The identified regulatory provisions in § 618.8440(b) meet class iv of EO 14219 because they are inconsistent with EO 14151, "Ending Radical and Wasteful Government DEI Programs and Preferencing," signed on January 20, 2025, which required the termination of all diversity, equity, and inclusion mandates

throughout the Federal government. These provisions require Farm Credit System (System) institutions to take diversity and inclusion into account in their business planning.

II. Regulation changes

In accordance with EO 14219, FCA is removing or revising four paragraphs in § 618.8440 that impose diversity and inclusion requirements on System institutions. Specifically, paragraph (b)(2)(ii) will no longer require institution business plans to assess diversity as a need of the board of directors. Additionally, paragraph (b)(7)(iii) will no longer require institution human capital plans to include strategies and actions to strive for diversity and inclusion within their workforce and management. And paragraph (b)(8)(ii) will no longer require institutions, in their marketing plans' strategies and actions to market their products and services to all eligible and creditworthy persons, to have specific outreach toward diversity and inclusion. In addition, because of the deletion of paragraph (b)(7)(iii), we are removing paragraph (c)(1), which requires an institution to report annually to its board on its progress in accomplishing the strategies and actions required by paragraph (b)(7)(iii), as a conforming change. All other requirements in § 618.8440 will remain in effect.

III. Regulatory Matters

A. Notice and Comment

Public notice and comment are not required for this rulemaking. Section 553(b) (B) of the Administrative Procedure Act¹ (APA) provides that when an agency for good cause finds that public notice and comment procedures are impracticable, unnecessary, or contrary to the public interest, the agency may issue a rule without providing notice and an opportunity for public comment. The President and the Office of Management and Budget (OMB) directed agencies to repeal regulations identified as inconsistent with EO 14219 without public notice and comment when such action is consistent with the good cause provision of the APA.²

FCA determined that good cause exists to finalize these amendments without public notice and comment because they implement the requirements of EO 14219 by removing regulatory requirements that are inconsistent with EO 14151. Following notice and comment procedures would delay a repeal that is legally required and would necessitate expenditure of resources in service of retaining a regulation that cannot be lawfully enforced. Nothing that might emerge during the comment period could cure the inconsistency of these requirements with EO 14151 or overcome FCA's non-discretionary inability to retain or enforce them, and therefore notice and comment are superfluous and "unnecessary" within the meaning of the APA.

¹ 5 U.S.C. 553(b) (B) .

² Presidential Memorandum, *Directing the Repeal of Unlawful Regulations*, dated April 9, 2025; OMB Memorandum M-25-36, *Streamlining the Review of Deregulatory Actions*, dated October 21, 2025.

B. Determinations under Executive Order 12866 and Executive Order 14192

The Office of Management and Budget's Office of Information and Regulatory Affairs has determined that this final rule is not a "significant regulatory action" as defined by Section 3(f) of Executive Order 12866, made applicable to FCA by Executive Order 14215. This action is an Executive Order 14192 deregulatory action.

C. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act,³ the FCA hereby certifies this final rule will not have a significant economic impact on a substantial number of small entities. Each of the banks in the System, considered together with its affiliated associations, has assets and annual income in excess of the amounts that would qualify them as small entities. Therefore, System institutions are not "small entities" as defined in the Regulatory Flexibility Act.

D. Congressional Review Act (CRA)

Under the provisions of the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Management and Budget's Office of Information and Regulatory Affairs has determined that this final rule is not a "major rule" as the term is defined at 5 U.S.C. 804(2).

List of Subjects in 12 CFR Part 618

³ 5 U.S.C. 605(b).

Agriculture, Archives and records, Banks, banking, Insurance, Reporting and recordkeeping requirements, Rural areas, Technical assistance.

For the reasons stated in the preamble, the Farm Credit Administration amends 12 CFR part 618 as follows:

PART 618—GENERAL PROVISIONS

1. The authority citation for part 618 continues to read as follows:

Authority: Secs. 1.5, 1.11, 1.12, 2.2, 2.4, 2.5, 2.12, 3.1, 3.7, 4.12, 4.13A, 4.25, 4.29, 5.9, 5.10, 5.17 of the Farm Credit Act (12 U.S.C. 2013, 2019, 2020, 2073, 2075, 2076, 2093, 2122, 2128, 2183, 2200, 2211, 2218, 2243, 2244, and 2252).

2. Amend § 618.8440 by:

a. Revising paragraph (b) (2) (ii);

b. In paragraph (b) (7) (i), adding “and” after the semi-colon;

c. In paragraph (b) (7) (ii), removing the text “; and” and adding a period in its place;

d. Removing paragraph (b) (7) (iii); and

e. Revising paragraphs (b) (8) (ii) and (c).

The revisions read as follows:

§ 618.8440 Planning.

* * * * *

(b) * * *

(2) * * *

(ii) Include an assessment of the needs of the board, including skills, based on the annual self-evaluation of the board's performance; and

* * * * *

(8) * * *

(ii) Strategies and actions to market the institution's products and services to all eligible and creditworthy persons within each market segment.

(c) Each institution subject to paragraph (b) (8) of this section must report annually to its board of directors on the progress the institution has made in accomplishing the strategies and actions required by paragraph (b) (8) (ii) of this section.

Ashley Waldron,
Secretary to the Board,
Farm Credit Administration.

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