

## § 652.85

(b) In addition to the requirements of paragraph (a) of this section, we may require you to determine your risk-based capital level at any time.

(c) If you anticipate entering into any new business activity that could have a significant effect on capital, you must determine a pro forma risk-based capital level, which must include the new business activity, and report this pro forma determination to the Director, Office of Secondary Market Oversight, at least 10-business days prior to implementation of the new business program.

### § 652.85 When to report the risk-based capital level.

(a) You must file a risk-based capital report with us each time you determine your risk-based capital level as required by § 652.80.

(b) You must also report to us at once if you identify in the interim between quarterly or more frequent reports to us that you are not in compliance with the risk-based capital level required by § 652.70.

(c) If you make any changes to the data used to calculate your risk-based capital requirement that cause a material adjustment to the risk-based capital level you reported to us, you must file an amended risk-based capital report with us within 5-business days after the date of such changes;

(d) You must submit your quarterly risk-based capital report for the last day of the preceding quarter by the earlier of the reporting deadlines for Securities and Exchange Commission Forms 10-K and 10-Q, or the 40th day after each of the quarters ending March 31st, June 30th, and September 30th, and the 75th day after the quarter ending on December 31st.

[71 FR 77253, Dec. 26, 2006, as amended at 73 FR 31940, June 5, 2008]

### § 652.90 How to report your risk-based capital determination.

(a) Your risk-based capital report must contain at least the following information:

(1) All data integral for determining the risk-based capital level, including any business policy decisions or other assumptions made in implementing the risk-based capital test;

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(2) Other information necessary to determine compliance with the procedures for determining risk-based capital as specified in appendix A to this subpart; and

(3) Any other information we may require in written instructions to you.

(b) You must submit each risk-based capital report in such format or medium, as we require.

### § 652.95 Failure to meet capital requirements.

(a) *Determination and notice.* At any time, we may determine that you are not meeting your risk-based capital level calculated according to § 652.65, your minimum capital requirements specified in section 8.33 of the Act, or your critical capital requirements specified in section 8.34 of the Act. We will notify you in writing of this fact and the date by which you should be in compliance (if applicable).

(b) *Submission of capital restoration plan.* Our determination that you are not meeting your required capital levels may require you to develop and submit to us, within a specified time period, an acceptable plan to reach the appropriate capital level(s) by the date required.

### § 652.100 Audit of the risk-based capital stress test.

You must have a qualified, independent external auditor review your implementation of the risk-based capital stress test every 3 years and submit a copy of the auditor's opinion to us.

#### APPENDIX A TO SUBPART B OF PART 652— RISK-BASED CAPITAL STRESS TEST

- 1.0 Introduction.
- 2.0 Credit Risk.
  - 2.1 Loss-Frequency and Loss-Severity Models.
  - 2.2 Loan-Seasoning Adjustment.
  - 2.3 Example Calculation of Dollar Loss on One Loan.
  - 2.4 Treatment of Loans Backed by an Obligation of the Counterparty and Loans for Which Pledged Loan Collateral Volume Exceeds Farmer Mac-Guaranteed Volume.
  - 2.5 Calculation of Loss Rates for Use in the Stress Test.
- 3.0 Interest Rate Risk.
  - 3.1 Process for Calculating the Interest Rate Movement.