



## Is a revised mandate for the US farm credit system needed?

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### Abstract

The Farm Credit System (FCS) underwent a major financial crisis in the mid-1980s, after having exhibited a strong financial position over the prior 50 years. Since 1990 the System has returned to profitability, but its inherent nature and underlying changes in agriculture and the financial services industry suggest that it remains vulnerable to future losses. To improve its viability we suggest that in the near term the FCS should be given a broader mandate to diversify its loan base in rural America. In the longer run the system may need to give up government sponsored enterprise status in order to remove all restrictions on lending eligibility and improve its chance of survival. © 1995 by John Wiley & Sons, Inc.

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