

FEDERAL AGRICULTURAL MORTGAGE CORP
Form 10-Q
November 08, 2018

As filed with the Securities and Exchange Commission on November 8, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2018
Commission File Number 001-14951

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

(Exact name of registrant as specified in its charter)

Federally chartered instrumentality of the United States 52-1578738

(State or other jurisdiction of incorporation or organization) (I.R.S. employer identification number)

1999 K Street, N.W., 4th Floor, Washington, D.C. 20006
(Address of principal executive offices) (Zip code)
(202) 872-7700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B)

of the Securities Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 1, 2018, the registrant had outstanding 1,030,780 shares of Class A voting common stock, 500,301 shares of Class B voting common stock, and 9,137,550 shares of Class C non-voting common stock.

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PART I

Item 1. Financial Statements

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FEDERAL AGRICULTURAL MORTGAGE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)

	As of	
	September 30, 2018	December 31, 2017
	(in thousands)	
Assets:		
Cash and cash equivalents	\$436,152	\$302,022
Investment securities:		
Available-for-sale, at fair value	2,224,002	2,215,405
Held-to-maturity, at amortized cost	45,032	45,032
Total Investment Securities	2,269,034	2,260,437
Farmer Mac Guaranteed Securities:		
Available-for-sale, at fair value	5,957,304	5,471,914
Held-to-maturity, at amortized cost	2,067,307	2,126,274
Total Farmer Mac Guaranteed Securities	8,024,611	7,598,188
USDA Securities:		
Trading, at fair value	10,237	13,515
Held-to-maturity, at amortized cost	2,143,874	2,117,850
Total USDA Securities	2,154,111	2,131,365
Loans:		
Loans held for investment, at amortized cost	3,884,636	3,873,755
Loans held for investment in consolidated trusts, at amortized cost	1,483,135	1,399,827
Allowance for loan losses	(6,871)	(6,796)
Total loans, net of allowance	5,360,900	5,266,786
Real estate owned, at lower of cost or fair value	128	139
Financial derivatives, at fair value	8,007	7,093
Interest receivable (includes \$12,446 and \$17,373, respectively, related to consolidated trusts)	135,677	155,278
Guarantee and commitment fees receivable	40,178	39,895
Deferred tax asset, net	—	2,048
Prepaid expenses and other assets	45,236	29,023
Total Assets	\$18,474,034	\$17,792,274
Liabilities and Equity:		
Liabilities:		
Notes payable:		
Due within one year	\$7,378,927	\$8,089,826
Due after one year	8,419,424	7,432,790
Total notes payable	15,798,351	15,522,616
Debt securities of consolidated trusts held by third parties	1,486,733	1,404,945
Financial derivatives, at fair value	17,841	26,599
Accrued interest payable (includes \$10,507 and \$14,631, respectively, related to consolidated trusts)	87,435	75,402
Guarantee and commitment obligation	38,597	38,400
Accounts payable and accrued expenses	260,753	14,096
Deferred tax liability, net	4,586	—
Reserve for losses	2,147	2,070

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Total Liabilities	17,696,443	17,084,128
Commitments and Contingencies (Note 6)		
Equity:		
Preferred stock:		
Series A, par value \$25 per share, 2,400,000 shares authorized, issued and outstanding	58,333	