

Farm Credit Administration
Final Guidelines for Ensuring Quality of Disseminated Information
and Procedures for Correction by the Public
September 24, 2002

I. Background

Section 515 of the Treasury and General Government Appropriations Act for Fiscal Year 2001 (Public Law 106-554; H.R. 5658; hereafter referred to as section 515) directed the Office of Management and Budget (OMB) to issue government-wide guidelines that "provide policy and procedural guidance to Federal agencies for ensuring and maximizing the quality, objectivity, utility, and integrity of information (including statistical information) disseminated by Federal agencies." Agencies are required to issue their own implementing guidelines by October 1, 2002, which is one year after OMB issued its guidelines. Section 515 also required the agencies to include in their guidelines "administrative mechanisms allowing affected persons to seek and obtain correction of information maintained and disseminated by the agency.

The FCA is an independent agency in the executive branch of the U.S. Government. It is responsible for regulating and supervising the banks, associations, and related entities that collectively comprise the Farm Credit System (FCS).

The Agency obtains much of the financial information that it uses to evaluate the safety and soundness of the FCS through public filings by FCS institutions of the Uniform Financial Reports of Condition and Performance (Call Reports). Although the Call Report data is available on the FCA Web site, the information is exempt as a public filing from the information quality requirements of section 515. In addition, FCA's examination and supervision of FCS institutions' documents (including financial stress reports) are released only to individual institutions and are not disseminated to the public. Therefore, FCA does not disseminate a great deal of information that is subject to section 515. Information subject to section 515 includes the Agency's annual performance and accountability reports, general information about the Agency, and rulemaking notices published in the *Federal Register*. Most of this information is available on FCA's Web site as well as in paper format.

II. Policy

The FCA shall ensure that the information it disseminates to the public is objective (accurate, clear, complete, and unbiased), and has utility (the information is useful) and integrity. This basic quality standard will be used by the Agency as a continuing performance goal. Additional levels of quality standards may be adopted as appropriate for specific categories of disseminated information. The Chief Information Officer (CIO) serves as the Agency official responsible for compliance with OMB guidelines for the quality of information disseminated by FCA.

III. Guidelines

Scope

FCA will review all information dissemination products for their quality (including their objectivity, utility, and integrity) before they are disseminated. The Agency's pre-dissemination review and the guidelines in this document shall apply to information that the Agency first disseminates on or after October 1, 2002. The Agency's administrative mechanisms for correcting information shall apply to information that the Agency disseminates on or after October 1, 2002, regardless of when the Agency first disseminated the information.

The Agency recognizes that the quality of its information is integral to every step in the creation, collection, maintenance, and dissemination of the information. FCA shall ensure that the quality of its disseminated information, and its pre-dissemination review process, can be substantiated through documentation or other means appropriate to the information.

These guidelines apply to FCA information dissemination products in all media and formats, including print, electronic, audiovisual, or any other form. "Information dissemination products" include books, papers, CD-ROMs, electronic documents, or other documentary material disseminated to the public by FCA. The guidelines apply to information disseminated by FCA from a Web page, but they do not apply to hyperlinks from the FCA Web site to information that others disseminate. Nor do the guidelines apply to opinions that make clear what is being offered is someone's opinion, rather than fact or the Agency's views. Finally, these guidelines do not apply to products disseminated by the Office of Inspector General.

"Dissemination" means Agency initiated or sponsored distribution of information to the public. Dissemination does not include distribution intended only for: Federal government employees or Agency contractors or grantees; intra- or inter-agency use or sharing of Federal government information; and responses to requests for Agency records under the Freedom of Information Act, the Privacy Act, the Federal Advisory Committee Act or other similar law. This definition also does not include distribution limited to correspondence with individuals or persons, press releases announcing information that the Agency has already disseminated elsewhere, archival records, public filings, subpoenas, adjudicative processes, and information presented to Congress as part of the legislative or oversight process that is not simultaneously disseminated to the public.

Process for Ensuring Quality of Information at the Basic Standard

FCA reviews all information dissemination products prior to dissemination and all products are expected to meet the basic quality standard (objectivity, utility, and integrity). Information dissemination products requiring the basic quality standard include: the Agency's annual performance and accountability report; general information about Agency authorities, activities, and programs; and contact information for the public to interact with the Agency and access information or services. In developing its definitions, FCA made extensive use of OMB's "Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of

Information Disseminated by Federal Agencies” (effective January 3, 2002). (These OMB guidelines are available online at: <http://www.whitehouse.gov/omb/fedreg/reproducible2.pdf> .)

As previously discussed, FCA’s basic **quality** standard for information involves objectivity, utility, and integrity. **Objectivity** involves two distinct elements: presentation and substance. Objective presentation means the information is presented within a proper context to ensure an accurate, clear, complete, and unbiased presentation. Objective substance means the data, the analytical process, and the resulting reports are accurate, reliable, and unbiased. To the extent possible, FCA will identify the source of disseminated information so that the public can assess whether the information is objective. The **utility** of information refers to its usefulness to its intended users, including the public. **Integrity** refers to the security of information, i.e., the protection of information from unauthorized access or revision. This helps ensure that the information is not compromised through unauthorized revision, falsification, corruption, and intentional or inadvertent destruction. FCA has adopted each aspect of these definitions as Agency information quality standards. As an ongoing performance goal, FCA intends to achieve each of these standards.

The Chief Executive Officer (CEO) of the Farm Credit Administration is responsible for ensuring that all disseminated information meets the basic quality standard. This responsibility is generally delegated to the Office Directors. The responsible Office Director ensures that the pre-dissemination review process is performed and documented at a level appropriate for the type of information disseminated. The costs and benefits of using a higher quality standard or a more extensive review process will be considered in deciding the appropriate level of quality for a given type of information, and the appropriate level of review and documentation.

Each originating Office will utilize internal review mechanisms to ensure that disseminated information is **objective** in both presentation and substance. The approval of information products prior to dissemination will be documented according to the internal procedures of the appropriate Office. Routing slips, clearance forms, e-mails, or other approval mechanisms may be used to document the approval process.

FCA Polices and Procedures Manual (PPM) section 201, “Information Release Policy,” provides for the uniform release and distribution of public information. It states that the Office of Congressional and Public Affairs (OCPA) must approve all information produced for external audiences before issuance of the information product. This includes new or revised publications and information placed on the FCA Web site. OCPA reviews the information products for editorial and design integrity and consistency with Agency policy. It ensures that the proper public is identified; the information is properly structured for the intended public; the proper medium is used; the design of printed material contributes to the communication; and an effective dissemination process is used. OCPA maintains a current inventory of FCA brochures, publications, and periodicals and their related mailing lists. It coordinates the release and distribution of information by FCA in a manner consistent with applicable laws, regulations, and Agency policy.

Each originating Office is also responsible for ensuring the **utility** and **integrity** of information products disseminated by the Office. Information is useful only if it can be retrieved. Therefore, Office Directors should ensure that sufficient metadata is associated with information published on the Web to facilitate the retrieval of the information by the public.

The security and **integrity** of Agency information is addressed in PPM sections 902 and 903, “Computer Security Program” and “Records Management,” respectively. Office Directors and the sponsors of information systems are responsible for ensuring that information is protected from unauthorized revision, falsification, corruption, and intentional or inadvertent destruction. In particular, the originating Office Director is responsible for ensuring that the record copy of information products are filed in the appropriate official recordkeeping system and included in an approved records retention schedule. All FCA employees are responsible for following security procedures intended to safeguard sensitive information. Sponsors of information systems are required to review and update the security plans for their systems each year. The Office of Chief Information Officer (OCIO) provides an ongoing security-training program for Agency staff. It also has a very comprehensive internal control program (including management, operational and technical controls) designed to protect the integrity of Agency systems and information. The CIO, the Security Officer, and the Records Officer of FCA advise the Office Directors and other employees periodically on the implementation of appropriate security and records management procedures.

The originating Office Director and the Director of OCPA shall review information presented to the public on an annual basis to ensure that the information is current, timely, and correct. In particular, information on the FCA Web site shall be removed by the OCIO 12 months after placement on the Web unless the originating Office Director and the Director of OCPA concur that it should continue to be displayed.

Process for Ensuring Quality of Information at a Level Higher than the Basic Standard

1. Information Related to Rulemaking

Regulations and policies of the FCA are developed under the operational direction of the Chairman and CEO. The FCA Board has ultimate approval authority for regulations and policies. The Director of the Office of Policy and Analysis (OPA) is responsible for managing and supervising the FCA’s regulatory and public policy development activities and works in conjunction with the Office of General Counsel (OGC), which ensures that the rules are legally sufficient. All rulemaking requires Board action. The Board approves proposed and final regulations prior to their submission to Congress and publication in the *Federal Register*.

Senior management at FCA believes that the highest quality products and decisions are produced by an interdisciplinary approach. Employees assigned to a regulatory development project represent a variety of skills, knowledge, and experience. Collaboration and teamwork among the regulation development team members and senior management are necessary ingredients of each project. This ensures that the highest quality and most timely products are delivered by the Agency to its constituents and customers. Members of senior management are responsible for

reviewing issue papers, proposed and final regulations, and other documents to assess the material consequences of the proposals and the impact on their respective Office's operations and responsibilities.

Consensus and agreement are desirable on regulation and policy recommendations. Consideration of the views of all interested parties is essential for the development of the best regulations and policies. FCA's regulation and policy development process will continue to ensure that alternative views of commenters, both internal and external to the Agency, are considered in making final recommendations to the FCA Board.

A comprehensive reporting process provides substantial information and control over the regulation and policy development process. Electronic media will continue to be used extensively to expedite and route material for the regulation and policy development process. PPM section 601, "Regulation and Public Policy Development of the Farm Credit Administration," provides guidance to FCA staff on the development of regulations and policy positions.

2. Influential Financial Information

The OMB guidelines for implementing section 515 recognize that some government information may need to meet a higher quality standard than the basic standard. The more important the information, the higher the quality standards to which it should be held. In particular, the OMB guidelines require "influential scientific, financial, or statistical information" to meet a high standard of quality. FCA defines "**influential**", when used in the phrase "influential scientific, financial, or statistical information" to mean that the agency can reasonably determine that dissemination of the information will have or does have a clear and substantial impact on important public policies or important private sector decisions.

OMB directs agencies disseminating influential scientific, financial, or statistical information to ensure that the original or supporting data is generated, and the analytical results are developed, using sound statistical methods. Agencies must provide sufficient information about their data and methods that an independent reanalysis could be made by a qualified member of the public. This independent reanalysis should produce substantially the same results as the original research. OMB refers to this as the "**reproducibility standard.**" OMB requires "**reproducibility**" only for analytic results, not for all original data. OMB states that making the data and models publicly available assists in determining that the analytical results are capable of being substantially reproduced.

FCA defines "**reproducibility**" to mean that the information is capable of being substantially reproduced, subject to an acceptable degree of imprecision. For information judged to have a more important impact, the degree of imprecision that is tolerated is reduced. For information judged to have a less important impact, the degree of imprecision that is tolerated is increased. FCA applies the reproducibility test to original or supporting data in accordance with commonly accepted scientific, financial, or statistical standards. FCA also ensures that analytic results that it disseminates are capable of being substantially reproduced; that is, an independent analysis of the

original or supporting data using identical methods would generate similar analytic results subject to an acceptable degree of imprecision or error.

Due to the confidential nature of the Agency's work in the examination and supervision of FCS institutions, most of FCA's financial analyses are not disseminated to the public. However, regulations sometimes contain mathematical calculations or are developed using them. In these cases (or in any other situation in which analyses are disseminated to the public), FCA ensures that the analyses are based on sound statistical methods and meet the reproducibility standard defined above. FCA will provide public access to the data and methods used in the analyses or, in situations where public access will not occur due to confidentiality issues, FCA will apply especially rigorous robustness checks to analytic results and document what checks were undertaken. FCA will in all cases disclose the specific data sources used and the specific quantitative methods and assumptions employed.

For example, Part 650 of FCA's regulations contains a risk-based capital stress test. This test calculates the level of regulatory capital that the Federal Agricultural Mortgage Corporation (Farmer Mac) is required to maintain during periods of economic stress. When proposing the rule, FCA requested comments from the public on this stress test and published it on the FCA Web site. On the Web site, FCA stated that only Farmer Mac data that was available through public financial statements was included in the financial model. In addition, FCA provided the spreadsheets, definitions, methods, parameters and guidelines used to develop and implement the risk-based capital stress test. Therefore, a person with financial modeling experience should be able to produce results like those produced by the FCA.

IV. Administrative Mechanisms for Correcting Information

Any "affected person" (which includes groups, organizations, and corporations) may request the timely correction of information disseminated by FCA that does not comply with OMB or FCA guidelines. (OMB's guidelines are available online at the following address: <http://www.whitehouse.gov/omb/fedreg/reproducible2.pdf>.) The Agency will ask complainants to describe how they are affected by the information error. However, the focus of FCA's complaint process is on the merits of the complaint, not on the possible interests or qualifications of the complainant.

If a complainant believes that information disseminated by FCA is not accurate, clear, complete, or unbiased, the individual may submit a written request for correction to the CIO. The request should clearly identify the information dissemination product and the information that is incorrect. The request should describe the requested changes and the reasons for the changes. Complainants should be aware that they bear the "burden of proof" with respect to the necessity for correction as well as with respect to the type of correction they seek.

The CIO shall respond to requests in writing within 60 calendar days. If the request requires more than 60 calendar days to resolve, the CIO will inform the requestor why more time is needed and when he/she may expect a response. Circumstances that might require additional time would include a need to: receive additional information, review many records identified in a

single request; consult with another Federal agency having a substantial interest in the request; or consult with two or more FCA Offices having a substantial interest in the request. If the CIO's response contains a request for additional information, the Agency's 60 calendar day response time will begin anew on the date that the Agency receives the additional information.

The CIO will coordinate with the originating Office Director, the Director of OCPA, the General Counsel, and other senior officials in determining whether or not to correct information. FCA may reject claims made in bad faith or without justification. The Agency will correct information in a manner appropriate to the nature and extent of the complaint and the information involved. For example, a mass mailing and a press release might be used to correct a widely disseminated error whereas personal contacts by letter or telephone might be used for less widely disseminated errors.

If the person who requested the correction does not agree with the Agency's decision (including the corrective action, if any), the person may file for reconsideration with the Agency. The written request for appeal should be submitted to the Chief Operating Officer (COO) within 30 calendar days of the date of the denial letter. If FCA believes other agencies may have an interest in the resolution of the appeal, the COO will consult with the other agencies about their possible interest. The COO will review the Agency's decision and act upon an appeal within 60 calendar days of receipt. If the request requires more than 60 calendar days to resolve, the COO will inform the complainant that more time is required and indicate the reason why and an estimated decision date. In all cases, the COO will notify the appellant whether his/her request was granted or denied and what corrective action, if any, the Agency will take.

These administrative mechanisms for correcting information shall apply to information that the Agency disseminates on or after October 1, 2002, regardless of when the Agency first disseminated the information. Requests to correct information contained in notices of proposed rulemaking by FCA will be handled in accordance with these Guidelines for Ensuring Quality of Disseminated Information and Procedures for Correction by the Public.

V. Annual Reports to OMB on Requests for Correction of Information

FCA will submit a report annually to the Director of OMB on the number and nature of complaints received by the Agency regarding the accuracy of the information it disseminates and how such complaints were resolved. The report will include a description of information the Agency has decided to correct and an explanation of Agency decisions to deny or limit corrective action.

The report will be submitted on an annual fiscal year (October 1 to September 30) basis no later than January 1 of the following year. The first report will cover fiscal year 2003 and will be submitted to OMB by January 1, 2004.