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FEDERAL AGRICULTURAL MORTGAGE CORP
Form 8-K
May 07, 2002

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 6, 2002

Federal Agricultural Mortgage Corporation

(Exact name of registrant as specified in its charter)

Federally chartered instrumentality of the United States -----	0-17440 -----	52-1578738 -----
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

1133 21st Street, N.W., Suite 600, Washington, D.C. -----	20036 -----
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (202) 872-7700

No Change

(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits:

99 Press release dated May 6, 2002.

Item 9. Regulation FD Disclosure.

On May 6, 2002, the Registrant issued a press release to announce its

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issuance of \$35 million of fixed rate cumulative preferred stock. The press release is filed as Exhibit 99 hereto and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FEDERAL AGRICULTURAL MORTGAGE CORPORATION

By: /s/ Jerome G. Oslick

Name: Jerome G. Oslick
Title: Vice President - General Counsel

Dated: May 7, 2002

EXHIBIT INDEX

Exhibit No. -----	Description -----	Page No. -----
99	Press Release Dated May 6, 2002	5

Exhibit 99

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NEWS

FOR IMMEDIATE RELEASE
May 6, 2002

CONTACT
Jerome Oslick
202-872-7700

Farmer Mac Announces Issuance of \$35 Million in Preferred Stock

Washington, D.C. -- The Federal Agricultural Mortgage Corporation (Farmer Mac, NYSE: AGM and AGMA) today announced that it has issued \$35 million (700 thousand shares) of fixed rate perpetual preferred stock that is cumulative as to dividends--the Corporation's first-ever preferred stock issuance.

The preferred stock, designated Series A, was offered to investors at \$50 per share with a fixed dividend rate of 6.40%. Dividends will be paid quarterly starting on June 30, 2002, and Farmer Mac will have the option to redeem all or part of the shares at \$50 per share plus accrued dividends at any time on or after June 30, 2012. The offering is structured to be eligible for the "Dividends-Received Deduction" under current federal tax law. Proceeds from the issue will be used for general corporate purposes. Bear, Stearns & Co. Inc. acted as the sole underwriter for the issue.

The issuance, which has been under way for several months, increases Farmer Mac's regulatory core capital from \$134.0 million as of March 31, 2002, to over \$169.0 million, and more than \$56.0 million in excess of its minimum capital requirement.

Farmer Mac President and Chief Executive Officer Henry D. Edelman observed, "While our need for additional regulatory capital is not immediate, we found the current interest rate environment attractive and deemed it an appropriate time to enhance our capital position in anticipation of a continuation of our recent growth trends. The additional equity permits us to expand our capital base while preserving our return on common equity."

This press release does not constitute an offer of sale. Such an offer of sale may only be made by means of an offering circular.

Farmer Mac is a stockholder-owned instrumentality of the United States chartered by Congress to establish a secondary market for agricultural real estate and rural housing mortgage loans, and to facilitate capital market funding for USDA guaranteed farm program and rural development loans. Farmer Mac's Class C and Class A common stocks are listed on the New York Stock Exchange under the symbols AGM and AGMA, respectively. Additional information about Farmer Mac is available on Farmer Mac's website at www.farmermac.com.