PAPER FILING PURSUANT TO NOTICE 2012-4

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning JUN 1, 2010 and ending MAY 31, 2011

B Check if applicable: [X] Address change [ ] Name change [ ] Initial return [ ] Terminated [ ] Amended return [ ] Application pending

C Name of organization
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
20701 COOPERATIVE WAY

City or town, state or country, and ZIP + 4
DULLES, VA 20166

D Employer identification number
52-0891669

E Telephone number
703-467-1800

G Gross receipts $ 1,404,815,399.

F Name and address of principal officer: STEVEN L. LILLY
"SAME AS C ABOVE"

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [ ] 501(c)(3) [X] 501(c) (4) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.NRUCFC.COOP

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1969 **M** State of legal domicile: VA

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: TAX EXEMPT COOPERATIVE ORGANIZATION PROVIDING FINANCING TO RURAL ELECTRIC COOPERATIVES

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	23
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	230
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	0.	0.
9	Program service revenue (Part VIII, line 2g)	1417317555.	1395981969.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,240,574.	3,855,863.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,789,858.	4,934,676.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1427347987.	1404772508.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,630,237.	2,123,427.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	39,415,105.	43,368,134.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1273737792.	1184302428.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1314783134.	1229793989.
19	Revenue less expenses. Subtract line 18 from line 12	112,564,853.	174,978,519.

Net Assets or Fund Balances		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	19887235419.	20128724345.
21	Total liabilities (Part X, line 26)	19304447985.	19447065976.
22	Net assets or fund balances. Subtract line 21 from line 20	582,787,434.	681,658,369.

RECEIVED
JAN 20 2012
OGDEN, UT

SCANNED JAN 31 2012

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
▶ Signature of officer [signature] Date 1-17 2012
▶ STEVEN L. LILLY, SVP AND CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
JENNIFER GILARDI	Jennifer Gilardi	01-13-12		P00653098

Firm's name ▶ DELOITTE TAX, LLP — Firm's EIN ▶
Firm's address ▶ 1750 TYSONS BOULEVARD MCLEAN, VA 22102 — Phone no. 703-251-1000

May the IRS discuss this return with the preparer shown above? (see instructions) [ ] Yes [X] No

17

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission:
TO BRIDGE THE FINANCIAL NEEDS OF THE RURAL ELECTRIC NETWORK WITH THE EXPECTATIONS OF THE GLOBAL CAPITAL MARKETS, ONE COOPERATIVE AT A TIME. NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC") IS A MEMBER-OWNED COOPERATIVE ASSOCIATION INCORPORATED UNDER THE LAWS OF

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 1139993391. including grants of $) (Revenue $ 1400898946.)
INTEREST EXPENSE - CFC PROVIDES LOANS TO ITS MEMBERS, RURAL ELECTRIC COOPERATIVES AND THEIR RELATED ORGANIZATIONS. CFC RAISES FUNDS IN THE CAPITAL MARKETS AND PAYS A RATE OF RETURN COMMENSURATE WITH CURRENT ECONOMIC CONDITIONS FOR THE USE OF THOSE FUNDS. THESE BORROWED FUNDS PERMIT CFC TO MEET THE BORROWING NEEDS OF ITS MEMBERS SO THEY CAN CONTINUE TO PROVIDE ELECTRIC AND POWER SERVICE TO THE CONSUMERS AND BUSINESSES IN THE RURAL TERRITORIES SERVICED BY THOSE MEMBERS/BORROWERS. CFC OPERATES IN SUCH MANNER TO ACHIEVE THE LOWEST COST OF FUNDING AVAILABLE TO IT AND PASSES THE COSTS AND RESULTING SAVINGS ALONG TO ITS BORROWERS.

4b (Code:) (Expenses $ 12,028,252. including grants of $) (Revenue $ 17,699.)
RESULTS OF FORECLOSED ASSETS - AS PART OF OUR NORMAL OPERATING ACTIVITIES AS A LENDER, WE MAY BE REQUIRED TO FORECLOSE ON ASSETS OR BUSINESS OPERATIONS OF BORROWERS WHO DEFAULT ON THEIR LOANS DUE TO US. OUR OBJECTIVE IS TO REHABILITATE THE FORECLOSED ASSETS OR BUSINESS OPERATIONS IN ORDER SELL THEM AT A PRICE THAT MAXIMIZES OUR RECOVERY ON THOSE DEFAULTED LOANS. THE INVESTMENT IN FORECLOSED ASSETS OR BUSINESS OPERATIONS DOES NOT REPRESENT A NEW OR SEPARATE LINE OF BUSINESS FOR CFC.

THE RESULTS OF OPERATIONS OF FORECLOSED ASSETS REPRESENTS THE COMBINED OPERATING LOSSES FROM CFC'S WHOLLY OWNED SUBSIDIARY CARIBBEAN ASSET HOLDINGS ("CAH") AND DENTON REALTY PARTNERS LP, RESPECTIVELY FOR THE

4c (Code:) (Expenses $ 3,927,591. including grants of $) (Revenue $)
LOSS ON EARLY EXTINGUISHMENT OF DEBT - WE REDEEM OUTSTANDING DEBT EARLY FROM TIME TO TIME TO MANAGE LIQUIDITY AND INTEREST RATE RISK. WHEN WE REDEEM OUTSTANDING DEBT EARLY, WE RECOGNIZE A GAIN OR LOSS RELATED TO THE DIFFERENCE BETWEEN THE AMOUNT PAID TO REDEEM THE DEBT AND THE NET BOOK VALUE OF THE EXTINGUISHED DEBT. THE $3,927,591 OF LOSS ON EARLY EXTINGUISHMENT OF DEBT RELATES TO THE REDEMPTION OF $125 MILLION IN PRINCIPAL AMOUNT OF SUBORDINATED DEFERRABLE NOTES DURING THE SECOND QUARTER ENDED NOVEMBER 30, 2010 WHEREBY THE AMOUNT PAID TO REDEEM THE DEBT EXCEEDED ITS NET BOOK VALUE RESULTING IN A LOSS.

4d Other program services. (Describe in Schedule O.)
(Expenses $ 2,297,525. including grants of $ 2,123,427.) (Revenue $)

4e **Total program service expenses** ▶ 1158246759.

SEE SCHEDULE O FOR CONTINUATION(S)

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		X
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	X	
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		X
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* [X] Yes [ ] No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	90		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	230		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
b	If "Yes," enter the name of the foreign country ▶				
	See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	23		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	23		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4	X	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	X	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ AZ , GA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

[ ] Own website [ ] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

ROBERT GEIER - 703-467-1800

20701 COOPERATIVE WAY , DULLES, VA 20166

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
FREDERICK C. ANDERSON DIRECTOR	7.60	X						34,700.	0.	0.
RAY BEAVERS DIRECTOR	7.10	X						32,900.	0.	0.
FRED BROG DIRECTOR	13.80	X						36,000.	0.	0.
RAPHAEL BRUMBELOE DIRECTOR	7.10	X						37,650.	0.	0.
DELBERT MARVIN CRANFORD VICE PRESIDENT-DIRECTOR	10.20	X						34,250.	0.	0.
WALTER K. CROOK DIRECTOR	5.10	X						36,900.	0.	0.
JOEL CUNNINGHAM DIRECTOR	10.90	X						37,050.	0.	0.
JAMES DOERSTLER DIRECTOR	9.00	X						38,400.	0.	0.
JOSEPH EWING, JR. DIRECTOR	5.50	X						37,350.	0.	0.
MICHAEL J. GUIDRY DIRECTOR	6.50	X						24,000.	0.	0.
CHRISTOPHER L. HAMON DIRECTOR	13.60	X						37,350.	0.	0.
SCOTT W. HANDY DIRECTOR	15.40	X						36,750.	0.	0.
JIM C. HERRON DIRECTOR	12.50	X						33,650.	0.	0.
WILLIAM A. KOPACZ DIRECTOR	9.80	X						38,250.	0.	0.
LYLE KORVER DIRECTOR	7.20	X						32,600.	0.	0.
REUBEN B. MCBRIDE DIRECTOR	15.90	X						38,700.	0.	0.
BURNS MERCER SECRETARY AND TREASURER-DIRECTOR	6.20	X						38,400.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
GLENN MILLER DIRECTOR	7.40	X						37,200.	0.	0.
RANDY D. RENTH DIRECTOR	15.80	X						37,350.	0.	0.
DWIGHT ROSSOW DIRECTOR	9.90	X						38,250.	0.	0.
R. WAYNE STRATTON DIRECTOR	3.70	X						37,700.	0.	0.
J. DAVID WASSON JR PRESIDENT-DIRECTOR	6.70	X						37,500.	0.	0.
FRANCIS WOLSKI DIRECTOR	3.90	X						32,600.	0.	0.
CURTIS NOLAN DIRECTOR	1.00	X						0.	0.	0.
GRANT CLAWSON DIRECTOR	1.00	X						0.	0.	0.
KIRK THOMPSON DIRECTOR	1.00	X						0.	0.	0.
1b Sub-total ▶								825,500.	0.	0.
c Total from continuation sheets to Part VII, Section A ▶								7,134,078.	0.	1427560.
d Total (add lines 1b and 1c) ▶								7,959,578.	0.	1427560.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 131

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
THE WHITING TURNER CONTRACTING COMPANY, 14900 CONFERENCE CENTER DRIVE, STE. 550,	NEW BUILDING CONTRACTORS	13,911,293.
HOGAN & LOVELLS, LLP, 555 THIRTEENTH STREET NW, WASHINGTON, DC 20004-1109	LEGAL	2,149,476.
DELOITTE & TOUCHE LLP P.O. BOX 277694, ATLANTA, GA 30384-7894	AUDITORS	1,564,100.
IDEA INTEGRATION P.O. BOX 1020220, ATLANTA, GA 30368-0220	IS CONTRACTORS	1,040,813.
KISHIMOTO GORDON DALAYA, PC, 1300 WILSON BLVD., STE. 250, ROSSLYN, VA 22209	ARCHITECTURAL CONSULTING	677,421.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 19

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
MARTIN A. HILLERT JR. DIRECTOR	3.30	X						8,450.	0.	0.
DARRYL SCHRIVER DIRECTOR	2.50	X						8,450.	0.	0.
SHELDON PETERSEN GOVERNOR AND CEO	65.00			X				1,280,863.	0.	110,039.
JOHN LIST SVP & CORPORATE COUNSEL	60.00			X				598,959.	0.	94,979.
STEVEN LILLY SVP & CHIEF FINANCIAL OFF	60.00			X				601,638.	0.	105,729.
RICHARD LAROCHELLE SVP CORPORATE RELATIONS	60.00			X				669,279.	0.	105,329.
JOHN EVANS SVP OPERATIONS	55.00			X				600,664.	0.	100,881.
JOHN BORAK SVP CREDIT RISK MGMT	60.00			X				322,616.	0.	95,745.
LAWRENCE ZAWALICK SVP RTFC	55.00			X				375,844.	0.	92,178.
JONATHON ANDREW DON SVP TREASURER	55.00			X				261,075.	0.	79,293.
KRISHNA MURTHY VP PORTFOLIO MANAGEMENT	50.00				X			269,296.	0.	136,744.
JOHN SUTER VP CAPITAL MARKET FUNDING	50.00				X			239,242.	0.	105,041.
ROBERTA ARONSON VP DEPUTY GENL COUNSEL	50.00					X		301,848.	0.	92,499.
MICHAEL CARR VP CHIEF INFORMATION OFF	45.00					X		279,247.	0.	72,416.
JOSEPH SIEKIERSKI VP CORPORATE SERVICES	40.00					X		247,709.	0.	68,870.
ALLYN AMATO ASSISTANT GENERAL COUNSEL	48.00					X		242,831.	0.	70,483.
ROBERT GEIER VP CONTROLLER	55.00					X		241,617.	0.	84,579.
LYNN MIDGETTE FORMER VP PORTFOLIO MANAGEMENT	50.00						X	584,450.	0.	12,755.
Total to Part VII, Section A, line 1c								7,134,078.		1,427,560.

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Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts						
1 a	Federated campaigns	1a				
b	Membership dues	1b				
c	Fundraising events	1c				
d	Related organizations	1d				
e	Government grants (contributions)	1e				
f	All other contributions, gifts, grants, and similar amounts not included above	1f				
g	Noncash contributions included in lines 1a-1f $					
h	**Total.** Add lines 1a-1f	▶				
Program Service Revenue		Business Code				
2 a	INTEREST FROM PSA	522200	1286982206	1286982206		
b	RECOVERY FOR LOAN LOSS	522200	82971287.	82971287.		
c	OP INC-FEES -RELATED	522200	25150664.	25150664.		
d	RECOVERY OF GUARANTEE	522200	673,000.	673,000.		
e	REIMBURSED EXPENSES	522200	187,113.	187,113.		
f	All other program service revenue	522200	17,699.	17,699.		
g	**Total.** Add lines 2a-2f	▶	1395981969			
Other Revenue						
3	Investment income (including dividends, interest, and other similar amounts)	▶	3,829,771.			3829771.
4	Income from investment of tax-exempt bond proceeds	▶				
5	Royalties	▶				

		(i) Real	(ii) Personal
6 a	Gross Rents		
b	Less: rental expenses		
c	Rental income or (loss)		
d	Net rental income or (loss) ▶		
		(i) Securities	(ii) Other
7 a	Gross amount from sales of assets other than inventory		68,983.
b	Less: cost or other basis and sales expenses		42,891.
c	Gain or (loss)		26,092.

			(A)	(B)	(C)	(D)
6 d	Net rental income or (loss)	▶				
7 d	Net gain or (loss)	▶	26,092.			26,092.
8 a	Gross income from fundraising events (not including $ ______ of contributions reported on line 1c). See Part IV, line 18	a				
b	Less: direct expenses	b				
c	Net income or (loss) from fundraising events	▶				
9 a	Gross income from gaming activities. See Part IV, line 19	a				
b	Less: direct expenses	b				
c	Net income or (loss) from gaming activities	▶				
10 a	Gross sales of inventory, less returns and allowances	a				
b	Less: cost of goods sold	b				
c	Net income or (loss) from sales of inventory	▶				
	Miscellaneous Revenue	Business Code				
11 a	MANAGEMENT FEES	522200	4,934,676.	4,934,676.		
b						
c						
d	All other revenue					
e	**Total.** Add lines 11a-11d	▶	4,934,676.			
12	**Total revenue.** See instructions.	▶	1404772508	1400916645	0.	3855863.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	2,123,427.	2,123,427.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,672,284.		7,672,284.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	23,954,521.		23,954,521.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,471,373.		5,471,373.	
9 Other employee benefits	4,574,876.		4,574,876.	
10 Payroll taxes	1,695,080.		1,695,080.	
11 Fees for services (non-employees):				
a Management				
b Legal	7,756,121.		7,756,121.	
c Accounting	1,231,461.		1,231,461.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	1,372,910.		1,372,910.	
12 Advertising and promotion	479,173.		479,173.	
13 Office expenses	472,533.		472,533.	
14 Information technology	2,771,855.		2,771,855.	
15 Royalties				
16 Occupancy	3,592,614.		3,592,614.	
17 Travel	1,966,173.		1,966,173.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,363,530.		1,363,530.	
20 Interest	1139993391.	1139993391.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,231,164.		2,231,164.	
23 Insurance	490,982.		490,982.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a RESULTS OF FORECLOSED A	12,028,252.	12,028,252.		
b LOSS ON EARLY EXTINGUIS	3,927,591.	3,927,591.		
c MISCELLANEOUS	1,608,343.		1,608,343.	
d REAL ESTATE TAX	1,114,136.		1,114,136.	
e OTHER EXEPENSES	837,620.		837,620.	
f All other expenses	1,064,579.	174,098.	890,481.	
25 **Total functional expenses.** Add lines 1 through 24f	1229793989.	1158246759.	71,547,230.	0.
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		57,549,415.	1	56,803,036.
	2	Savings and temporary cash investments		469,495,112.	2	233,288,109.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		158,711,042.	4	149,072,455.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net		18562998141.	7	18807705402.
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		4,074,452.	9	5,404,039.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 102,720,719.			
	b	Less: accumulated depreciation	10b 13,926,412.	55,681,984.	10c	88,794,307.
	11	Investments - publicly traded securities			11	
	12	Investments - other securities. See Part IV, line 11		58,607,370.	12	58,600,825.
	13	Investments - program-related. See Part IV, line 11		42,251,874.	13	280,811,395.
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		477,866,029.	15	448,244,777.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		19887235419.	16	20128724345.
Liabilities	17	Accounts payable and accrued expenses		2312569167.	17	2478771144.
	18	Grants payable			18	
	19	Deferred revenue		15,625,092.	19	17,687,268.
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		7056444679.	23	6924035316.
	24	Unsecured notes and loans payable to unrelated third parties		9434296799.	24	9547017269.
	25	Other liabilities. Complete Part X of Schedule D		485,512,248.	25	479,554,979.
	26	**Total liabilities.** Add lines 17 through 25		19304447985.	26	19447065976.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets			27	
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ [X] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		991,400.	30	994,400.
	31	Paid-in or capital surplus, or land, building, or equipment fund		0.	31	0.
	32	Retained earnings, endowment, accumulated income, or other funds		581,796,034.	32	680,663,969.
	33	Total net assets or fund balances		582,787,434.	33	681,658,369.
	34	Total liabilities and net assets/fund balances		19887235419.	34	20128724345.

Form 990 (2010)

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,404,772,508.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,229,793,989.
3	Revenue less expenses. Subtract line 2 from line 1	3	174,978,519.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	582,787,434.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-76,107,584.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	681,658,369.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII [X]

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other ________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: [ ] Separate basis [X] Consolidated basis [ ] Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2010
Open to Public Inspection

Name of the organization NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Employer identification number 52-0891669

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.
Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Preservation of an historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply).

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other ______

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV **Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V **Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ ______ %

b Permanent endowment ▶ ______ %

c Term endowment ▶ ______ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI **Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	14,230,510.	22,539,745.		36,770,255.
b Buildings		35,032,348.		35,032,348.
c Leasehold improvements				
d Equipment		22,322,737.	10,490,197.	11,832,540.
e Other		8,595,379.	3,436,215.	5,159,164.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				88,794,307.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) DERIVATIVE LIABILITY -SFAS133	457,590,319.
(3) GUARANTEE LIABILITY	21,955,660.
(4) MEMB APP FEES-MEMBERSHIP APPL	9,000.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	479,554,979.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**.				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2010
Open to Public Inspection

Name of the organization
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Employer identification number
52-0891669

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
CENTRAL AMERICA AND THE CARIBBEAN	1	5	INVESTMENTS		246643013.
3 a Sub-total	1	5			246,643,013.
b Total from continuation sheets to Part I	0	0			0.
c Totals (add lines 3a and 3b)	1	5			246,643,013.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule F (Form 990) 2010**

032071
12-20-10

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 ▶ ☐

Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter ▶

3 Enter total number of other organizations or entities ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* [X] Yes [ ] No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* [ ] Yes [X] No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see Instructions for Form 5471)* [X] Yes [ ] No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* [ ] Yes [X] No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see Instructions for Form 8865)* [ ] Yes [X] No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* [ ] Yes [X] No

Part V Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

CFC FOLLOWS U.S. GAAP ACCOUNTING.

AMOUNTS REPORTED IN PART I, COLUMN (F) REPRESENT THE FAIR MARKET VALUE OF CFC'S INVESTMENT IN ORGANIZATIONS IN FOREIGN COUNTRIES AS OF THE END OF THE TAX YEAR AND DO NOT REFLECT EXPENDITURES MADE BY CFC INTO THESE COUNTRIES.

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Employer identification number 52-0891669

Part I **General Information on Grants and Assistance**

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II **Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ALABAMA RURAL ELECTRIC ASSOCIATION OF COOPERATIVES - P.O. BOX 244014 - MONTGOMERY, AL 36124-4014	63-0264081	501 (C)(6)	14,400.	0.			DIRECTOR TRAINING CONFERENCE
ASSOCIATION OF MISSOURI ELECTRIC COOPERATIVES - P.O. BOX 1645 - JEFFERSON CITY, MO 65102	43-0631824	501 (C)(6)	25,600.	0.			COOPERATIVE YOUTH LEADERSHIP CONFERENCE AND WASHINGTON YOUTH TOUR
COLORADO RURAL ELECTRIC ASSOCIATION - 5400 NORTH WASHINGTON STREET - DENVER, CO 80216	84-0411220	501 (C)(6)	14,000.	0.			DIRECTOR AND EMPLOYEE TRAINING
ELECTRIC POWER ASSOCIATIONS OF MISSISSIPPI - P.O. BOX 3300 - RIDGELAND, MS 39158-3300	64-0200697	501 (C)(6)	14,800.	0.			COOPERATIVE YOUTH LEADERSHIP WORKSHOP
FLORIDA ELECTRIC COOPERATIVES ASSOCIATION, INC. - 2916 APALACHEE PARKWAY - TALLAHASSEE, FL 32301	59-0633990	501 (C)(6)	21,200.	0.			LEADERSHIP CONFERENCE FOR DIRECTORS & MANAGERIAL STAFF
GEORGIA ELECTRIC MEMBERSHIP CORPORATION - P.O. BOX 1707 - TUCKER, GA 30085-1707	58-0530279	501 (C)(6)	22,800.	0.			EDUCATION BOOTH AT SUNBELT AGRICULTURAL EXPOSITION

2 Enter total number of section 501(c)(3) and government organizations ▶ 0.

3 Enter total number of other organizations ▶ 53.

LHA **For Paperwork Reduction Act Notice, see the Instructions for Form 990.** **Schedule I (Form 990) (2010)**

SEE PART IV FOR COLUMN (H) DESCRIPTIONS

032101 01-13-11

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
GOLDEN STATE POWER COOPERATIVE 14619 HAMLIN STREET VAN NUYS, CA 91411	68-0441905	501 (C)(6)	5,200.	0.			ASSISTANCE TO START-UP CO-OPS WITH SEMINARS AND SPEAKERS
GRAND CANYON STATE ELECTRIC COOPERATIVE ASSOCIATION - 120 NORTH 44TH STREET - PHOENIX, AZ 85034	86-6056759	501 (C)(6)	11,200.	0.			COOPERATIVE YOUTH LEADERSHIP CONFERENCE AND WASHINGTON YOUTH TOUR
INDIANA STATEWIDE ASSOCIATION OF RURAL ELECTRIC COOPERATIVES, INC. - P.O. BOX 24517 - INDIANAPOLIS, IN 46224	35-1499808	501 (C)(6)	24,800.	0.			TRAINING PROGRAMS FOR EMPLOYEES AND CO-OP BOARD MEMBERS
KANSAS ELECTRIC COOPERATIVES, INC. P.O. BOX 4267 TOPEKA, KS 66604-4267	48-0541902	501 (C)(12)	16,400.	0.			INFORMATIONAL PUBLICATION FOR DISTRIBUTION TO CO-OP MEMBERS AND PUBLIC
KENTUCKY ASSOCIATION OF ELECTRIC COOPERATIVES, INC. - P.O. BOX 32170 - LOUISVILLE, KY 40232	61-0420165	277	28,000.	0.			KAEC WEBSITE
MICHIGAN ELECTRIC COOPERATIVE ASSOCIATION - 2859 W. JOLLY ROAD - OKEMOS, MI 48864-1182	38-2214287	501 (C)(6)	39,115.	0.			YOUTH TOUR TO WASHINGTON AND MICHIGAN ELECTRIC TEEN DAYS SUMMER CAMP
MINNESOTA RURAL ELECTRIC ASSOCIATION - 11640 - 73RD AVENUE NORTH - MAPLE GROVE, MN 55369	41-0417193	501 (C)(6)	24,400.	0.			TRAINING AND EDUCATION FOR NEW COOPERATIVE BOARD MEMBERS
MONTANA ELECTRIC COOPERATIVES' ASSOCIATION - P.O. BOX 1306 - GREAT FALLS, MT 59403	81-0229220	501 (C)(6)	14,800.	0.			RURAL ELECTRIC YOUTH TOUR PROGRAM
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION - 4301 WILSON BOULEVARD - ARLINGTON, VA 22203-1860	53-0116145	501 (C)(6)	269,872.	0.			FOR OPERATION AND CAPITAL EXPENDITURES ASSOCIATED WITH COOPERATIVE.COM WEB SITE

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NEBRASKA RURAL ELECTRIC ASSOCIATION - P.O. BOX 82048 - LINCOLN, NE 68501	47-0394033	501 (C)(6)	16,800.	0.			YOUTH ENERGY CAMP
NEVADA RURAL ELECTRIC ASSOCIATION P.O. BOX 365 WELLS, NV 89835	88-0237046	501 (C)(6)	7,200.	0.			TRAINING ON "HOW TO INFLUENCE NEVADA'S LEGISLATIVE OR REGULATORY BODIES"
NEW MEXICO RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC. - 614 DON GASPAR AVENUE - SANTA FE, NM 87501	85-0155370	501 (C)(6)	10,400.	0.			TRAINING TO ORGANIZE CO-OP MEMBERS FOR GRASSROOTS ACTION
NEW YORK STATE RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC. - 9 WILSON AVENUE - HARTWICK, NY 14810	16-1264464	501 (C)(6)	5,600.	0.			RURAL ELECTRIC YOUTH TOUR TO WASHINGTON
NORTH CAROLINA ASSOCIATION OF ELECTRIC COOPERATIVES, INC. - P.O. BOX 27306 - RALEIGH, NC 27611	56-1189186	501 (C)	15,600.	0.			BRIGHT IDEAS PROGRAM -- CLASSROOM SUPPORT FOR TEACHERS
NORTH DAKOTA ASSOCIATION OF RURAL ELECTRIC COOPERATIVES - P. O. BOX 727 - MANDAN, ND 58554-0727	45-0231058	501 (C)	11,200.	0.			NEW DIRECTOR AND NEW EMPLOYEE ORIENTATION
NORTHEAST ASSOCIATION OF ELECTRIC COOPERATIVES, INC. - 9 WILSON AVENUE - BATH, NY 14810-1633	22-2153529	501 (C)(12)	14,800.	0.			EDUCATION/TRAINING FOR DIRECTORS & EMPLOYEES
OHIO RURAL ELECTRIC COOPERATIVES P.O. BOX 26036 COLUMBUS, OH 43226-0036	51-0174617	501 (C)(6)	19,600.	0.			BOOKLET PUBLICATION, DIRECTOR & EMPLOYEE TRAINING, SCHOLARSHIPS
OKLAHOMA ASSOCIATION OF ELECTRIC COOPERATIVES, INCORPORATED - P.O. BOX 54309 - OKLAHOMA CITY, OK 73154-1309	73-0556236	501 (C)(6)	17,200.	0.			REGIONAL ENERGY EFFICIENCY WORKSHOPS

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
OREGON RURAL ELECTRIC COOPERATIVE ASSOCIATION - 1750 LIBERTY ST. SE - SALEM, OR 97302	93-0593238	501 (C)(6)	13,600.	0.			URBAN LEGISLATORS' TOUR OF CO-OPS
PENNSYLVANIA RURAL ELECTRIC ASSOCIATION - P.O. BOX 1266 - HARRISBURG, PA 17108-1266	23-6291530	501 (C)(6)	16,800.	0.			COOPERATIVE COMMUNICATION WORKSHOP
SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION, INC. - P.O. BOX 1138 - PIERRE, SD 57501	46-0231254	501 (C)(12)	15,600.	0.			CO-OP YOUTH CONFERENCE
TENNESSEE ELECTRIC COOPERATIVE ASSOCIATION - P.O. BOX 100912 - NASHVILLE, TN 37224	62-0461379	501 (C)(6)	13,200.	0.			YOUTH LEADERSHIP CONFERENCE
TEXAS ELECTRIC COOPERATIVES, INC. 1122 COLORADO ST STE 2400 AUSTIN, TX 78701-2167	74-1007829	277	40,400.	0.			COMMUNICATIONS WORKSHOP
THE ASSOCIATION OF LOUISIANA ELECTRIC COOPERATIVES, INC. - 10725 AIRLINE HIGHWAY - BATON ROUGE, LA 70816-4299	72-0400467	501 (C)(6)	8,400.	0.			RURAL ELECTRIC YOUTH TOUR TO WASHINGTON
UTAH RURAL ELECTRIC ASSOCIATION 10714 SOUTH JORDAN GATEWAY SOUTH JORDAN, UT 84095	87-0402010	501 (C)(6)	8,000.	0.			YOUTH LEADERSHIP CONFERENCE
VIRGINIA MARYLAND & DELAWARE ASSOCIATION OF ELECTRIC COOPERATIVES - P.O. BOX 2340 - GLEN ALLEN, VA 23058-2340	54-0553861	501 (C)(6)	18,400.	0.			SUPERVISORY LEADERSHIP CERTIFICATION PROGRAM
WASHINGTON RURAL ELECTRIC COOPERATIVE ASSOCIATION. - P.O. BOX 7219 - OLYMPIA, WA 98507-7219	91-1236389	501 (C)(6)	10,800.	0.			ANNUAL MEETING PROGRAM

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WISCONSIN ELECTRIC COOPERATIVE ASSOCIATION - 131 WEST WILSON STREET - MADISON, WI 53703-3269	39-1163563	501 (C)(6)	18,400.	0.			YOUTH LEADERSHIP CONFERENCE
WYOMING RURAL ELECTRIC ASSOCIATION 2312 CAREY AVENUE CHEYENNE, WY 82001-3627	83-0207211	501 (C)(12)	8,800.	0.			LINEMAN TRAINING SCHOLARSHIPS, PUBLICATION OF ENERGY SHARE, WASHINGTON YOUTH TOUR
CADDO ELECTRIC COOPERATIVE 14043 STATE HIGHWAY 152 BINGER, OK 73009	73-0169405	501 (C)(12)	62,022.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
CARROLL ELECTRIC COOPERATIVE 920 HIGHWAY 62 SPUR BERRYVILLE, AR 72616	71-0027635	501 (C)(12)	73,099.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER FROM BEING ACQUIRED BY ANOTHER ENTITY.
CHARLES MIX ELECTRIC ASSOCIATION 440 LAKE STREET LAKE ANDES, SD 57356	46-0212103	501 (C)(12)	11,238.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
CHERRYLAND ELECTRIC COOPERATIVE P.O. BOX 298 GRAWN, MI 49637	38-0416525	501 (C)(12)	15,047.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
RED RIVER VALLEY CO-OP POWER 109 2ND AVENUE EAST HALSTAD, MN 56548	41-0497361	501 (C)(12)	138,781.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
ROCK ENERGY COOPERATIVE P.O. BOX 1758 JANESVILLE, WI 53547	39-0574424	501 (C)(12)	105,179.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
RUSK COUNTY ELECTRIC COOPERATIVE 3162 HIGHWAY 43 E HENDERSON, TX 75652	75-0535849	501 (C)(12)	246,414.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER

Part II **Continuation of Grants and Other Assistance to Governments and Organizations in the United States** (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SANTEE ELECTRIC COOPERATIVE 424 SUMTER HIGHWAY KINGSTREE, SC 29556	57-0240935	501 (C)(12)	67,734.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
ST. CROIX ELECTRIC COOPERATIVE 1925 RIDGEWAY STREET HAMMOND, WI 54015	39-0585072	501 (C)(12)	27,129.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
SUMTER ELECTRIC MEMBERSHIP CORP. P.O. BOX 1048 AMERICUS, GA 31709-1048	58-0452284	501 (C)(12)	63,122.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
THE ASSOCIATION OF LOUISIANA ELECTRIC COOPERATIVES, INC. - 10725 AIRLINE HIGHWAY - BATON ROUGE, LA 70816-4299	72-0400467	501 (C)(6)	40,096.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO DEFEND AGAINST THE SALE OF A COOPERATIVE.
THE ELECTRIC COOPERATIVES OF SOUTH CAROLINA, INC. - 808 KNOX ABBOTT DRIVE - CAYCE, SC 29033	57-0308664	501 (C)	375,000.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER FROM BEING ACQUIRED BY ANOTHER ENTITY.
UNITED COOPERATIVE SERVICES 3309 N. MAIN STREET CLEBURNE, TX 76033	75-2871400	501 (C)(12)	34,546.	0.			INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER
WAYNE-WHITE COUNTIES ELECTRIC COOPERATIVE - ROUTES 15 & 45 WEST - FAIRFIELD, IL 62837	37-0574965	501(C)12	21,834.	0.			

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

SCHEDULE I, PART I, LINE 2: INTEGRITY FUND

IN ORDER TO BE APPROVED FOR A GRANT FROM THE INTEGRITY FUND, A RURAL ELECTRIC SYSTEM MUST ESTABLISH THAT A SIGNIFICANT PORTION OF ITS SERVICE TERRITORY, OR PRESENT OR ANTICIPATED CONSUMERS, OR ITS FACILITIES FACE A THREAT OF ACQUISITION BY A COMPETING UTILITY, OR THE SYSTEM FACES A THREAT TO ITS RIGHT.

A RURAL ELECTRIC SYSTEM MUST SUBMIT COPIES OF PAID INVOICES SUPPORTING THE REQUESTED AMOUNT FOR EACH DISBURSEMENT FROM THE GRANT. IN ADDITION, A

Part IV Supplemental Information

COVER LETTER MUST ACCOMPANY EACH REQUEST, SAYING THAT MANAGEMENT HAS REVIEWED THE DISBURSEMENT REQUEST AND STATING THAT (1) TRUE AND CORRECT COPIES OF PAID INVOICES SUPPORTING THE AMOUNT OF THIS REQUEST ARE BEING SUBMITTED, (2) SUCH COSTS HAVE BEEN INCURRED AND PAID BY THE RURAL ELECTRIC COOPERATIVE IN CONNECTION WITH THE PURPOSE FOR WHICH THE INTEGRITY FUND GRANT WAS APPROVED, AND (3) THE EXPENSES ARE REIMBURSABLE UNDER THE TERMS AND CONDITIONS OF THE INTEGRITY FUND.

EDUCATION FUND

EACH STATEWIDE ASSOCIATION SUBMITS AN APPLICATION FORM DESCRIBING THE PROGRAM FOR WHICH THE GRANT WILL BE USED. EARLIER IN THE YEAR, THEY SUBMIT A MEMBERSHIP LIST OF THE ASSOCIATION VERIFIED BY THE GENERAL MANAGER. CFC USES THAT LIST AS WELL AS ITS OWN MEMBERSHIP LIST TO CALCULATE HOW MUCH EACH ASSOCIATION IS ALLOTTED DURING THE FISCAL YEAR. OUR FORMULA IS BASED UPON THE NUMBER OF SYSTEMS WITHIN AN ASSOCIATION, THE TOTAL CO-OPS WHICH ARE MEMBERS OF CFC AND OF THE ASSOCIATION, AND THE NUMBER OF CO-OPS THAT ARE 100% CFC BORROWERS. THE SENIOR VICE PRESIDENT OF THE CORPORATE RELATIONS GROUP, CFC, APPROVES THE APPLICATIONS MADE BY THE ASSOCIATIONS. THE CHECKS ARE DISBURSED PUBLICLY BEFORE THE ASSOCIATION BOARD OF DIRECTORS OR AT THE ASSOCIATION'S ANNUAL MEETINGS TO PROVIDE ENERGY SERVICES TO CONSUMERS.

PART II, LINE 1, COLUMN (H):

NAME OF ORGANIZATION OR GOVERNMENT: CADDO ELECTRIC COOPERATIVE

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: CHARLES MIX ELECTRIC ASSOCIATION

Part IV | Supplemental Information

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: CHERRYLAND ELECTRIC COOPERATIVE

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: RED RIVER VALLEY CO-OP POWER

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: ROCK ENERGY COOPERATIVE

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: RUSK COUNTY ELECTRIC COOPERATIVE

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: SANTEE ELECTRIC COOPERATIVE

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: ST. CROIX ELECTRIC COOPERATIVE

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: SUMTER ELECTRIC MEMBERSHIP CORP.

Part IV **Supplemental Information**

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

NAME OF ORGANIZATION OR GOVERNMENT: UNITED COOPERATIVE SERVICES

(H) PURPOSE OF GRANT OR ASSISTANCE: INTEGRITY FUND GRANT TO SUPPORT MEMBER'S RIGHT TO PROVIDE SERVICE IN A DISPUTE WITH ANOTHER ENTITY.

SCHEDULE J (Form 990)

Department of the Treasury Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION	52-0891669

Part I | Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☒ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)			
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		X
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☒ Compensation committee ☒ Independent compensation consultant ☒ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	X	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii)
Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
1 SHELDON PETERSEN	(i)	1,037,364.	158,812.	84,687.	112,242.	22,340.	1,415,445.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 JOHN LIST	(i)	463,886.	84,511.	50,562.	79,907.	23,808.	702,674.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 STEVEN LILLY	(i)	503,537.	84,511.	13,590.	115,020.	23,794.	740,452.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 RICHARD LAROCHELLE	(i)	534,828.	84,511.	49,940.	81,060.	14,355.	764,694.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 JOHN EVANS	(i)	462,368.	84,511.	53,785.	88,462.	22,408.	711,534.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 JOHN BORAK	(i)	217,873.	54,177.	50,566.	70,251.	18,296.	411,163.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 LAWRENCE ZAWALICK	(i)	271,225.	61,583.	43,036.	85,757.	10,273.	471,874.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 JONATHON ANDREW DON	(i)	217,059.	34,480.	9,536.	64,927.	24,722.	350,724.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 KRISHNA MURTHY	(i)	185,366.	38,419.	45,511.	125,682.	9,254.	404,232.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 JOHN SUTER	(i)	177,210.	35,229.	26,803.	90,675.	23,199.	353,116.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 ROBERTA ARONSON	(i)	241,764.	43,216.	16,868.	78,133.	25,989.	405,970.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 MICHAEL CARR	(i)	211,972.	40,715.	26,560.	57,356.	26,210.	362,813.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 JOSEPH SIEKIERSKI	(i)	184,519.	35,530.	27,660.	95,197.	13,293.	356,199.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 ALLYN AMATO	(i)	193,943.	35,020.	13,868.	64,329.	10,890.	318,050.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 ROBERT GEIER	(i)	187,463.	34,157.	19,997.	91,421.	10,063.	343,101.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 LYNN MIDGETTE	(i)	515,912.	38,028.	30,510.	12,760.	13,424.	610,634.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PART I, LINE 1A: THE PERQUISITES PROVIDED TO THE CEO ARE LIMITED TO AN ANNUAL AUTOMOBILE ALLOWANCE AS WELL AS AN ANNUAL SPOUSAL AIR TRAVEL ALLOWANCE. ADDITIONALLY, THE CEO RECEIVES AN ANNUAL EXECUTIVE PHYSICAL PAID FOR BY CFC. THESE PAYMENTS WERE TREATED AS TAXABLE COMPENSATION.

PART I, LINE 1B: THESE PAYMENTS WERE TREATED AS TAXABLE COMPENSATION.TO PROVIDE THE ANNUAL AUTOMOBILE AND SPOUSAL AIR TRAVEL PERQUISITES IN AN EFFICIENT FASHION, THE BOARD AUTHORIZES AN ANNUAL ALLOWANCE RATHER THAN PROVIDING UNLIMITED REIMBURSEMENT OR USE OF A COMPANY-OWNED VEHICLE. THE AMOUNT OF EACH ALLOWANCE IS AUTHORIZED ANNUALLY BY THE BOARD AND IS DETERMINED BASED ON THE ESTIMATED COST FOR OPERATION AND MAINTENANCE OF AN AUTOMOBILE AND THE ANTICIPATED COST OF AIR TRAVEL BY THE CEO'S SPOUSE. THESE PAYMENTS WERE TREATED AS TAXABLE COMPENSATION.

PART I, LINES 4A-B: CFC OFFERED A VOLUNTARY EARLY RETIREMENT PROGRAM TO A SELECT GROUP OF EMPLOYEES. SELECT EMPLOYEES THAT ELECTED TO RETIRE FROM CFC UNDER THE PROGRAM EFFECTIVE AUGUST 31, 2010 RECEIVED A CASH PAYMENT FROM THE ORGANIZATION.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

CFC ALSO OFFERS A PENSION RESTORATION PLAN WHICH IS A COMPONENT OF THE RETIREMENT SECURITY PLAN TO OFFICERS OF THE COMPANY. THE PENSION RESTORATION PLAN, WHICH IS A 457(F) PLAN, RESTORES THE VALUE OF THE RETIREMENT SECURITY PLAN FOR EACH OFFICER TO THE LEVEL IT WOULD BE IF THE IRS LIMITS ON ANNUAL PAY AND ANNUAL ANNUITY BENEFITS WERE NOT IN PLACE.

THE BENEFIT AND PAYOUT FORMULA UNDER THIS RESTORATION COMPONENT OF THE RETIREMENT SECURITY PLAN IS SIMILAR TO THAT UNDER THE QUALIFIED PLAN COMPONENT. HOWEVER, EACH OF THE NAMED EXECUTIVE OFFICERS HAS SATISFIED THE PROVISIONS ESTABLISHED TO RECEIVE THE BENEFIT FROM THIS PLAN. SINCE THERE IS NO LONGER A RISK OF FORFEITURE OF THE BENEFIT UNDER THE PENSION RESTORATION PLAN, DISTRIBUTIONS WILL BE MADE FROM THE PLAN TO EACH NAMED EXECUTIVE OFFICER ANNUALLY.

FOR 2010 THE FOLLOWING DISTRIBUTIONS WERE MADE:

JOHN BORAK	$	3,692
JOHN EVANS	$	90,647
RICHARD LAROCHELLE	$	175,782

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

STEVEN LILLY	$	108,844
JOHN LIST	$	108,985
SHELDON PETERSEN	$	318,815
LAWRENCE ZAWALICK	$	16,364

PART I, LINE 7: CFC'S SHORT-TERM CASH INCENTIVE PROGRAM IS A ONE-YEAR CASH INCENTIVE THAT IS TIED TO THE ANNUAL PERFORMANCE OF THE ORGANIZATION AS A WHOLE. WE BELIEVE THAT BY PAYING A SHORT-TERM INCENTIVE TIED TO THE ACHIEVEMENT OF ANNUAL OPERATING GOALS, ALL EMPLOYEES, INCLUDING NAMED EXECUTIVE OFFICERS, WILL FOCUS THEIR EFFORTS ON THE MOST IMPORTANT STRATEGIC OBJECTIVES WHICH HELP US TO FULFILL OUR MISSION TO OUR MEMBERS AND OUR OBLIGATIONS TO THE FINANCIAL MARKETS. THE SHORT-TERM INCENTIVE PROGRAM PROVIDES ANNUAL CASH INCENTIVE OPPORTUNITIES BASED UPON THE LEVEL OF THE POSITION WITHIN OUR BASE PAY STRUCTURE, RANGING FROM 15 PERCENT - 25 PERCENT OF BASE PAY. EXECUTIVE OFFICERS ARE ELIGIBLE TO RECEIVE SHORT-TERM CASH INCENTIVE COMPENSATION UP TO 25 PERCENT OF THEIR BASE PAY. KEY EMPLOYEES AND HIGHLY COMPENSATED EMPLOYEES ARE ELIGIBLE TO RECEIVE SHORT-TERM CASH INCENTIVE COMPENSATION UP TO 20 PERCENT OF THEIR BASE PAY.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THE LONG-TERM INCENTIVE PROGRAM IS A THREE-YEAR PLAN THAT IS TIED TO CFC'S LONG-TERM STRATEGIC OBJECTIVES. THE LONG-TERM INCENTIVE PROGRAM WAS IMPLEMENTED TO CREATE DYNAMIC TENSION BETWEEN SHORT-TERM OBJECTIVES AND LONG-TERM GOALS. EXECUTIVE OFFICERS, KEY EMPLOYEES AND HIGHLY COMPENSATED EMPLOYEES ARE ELIGIBLE TO PARTICIPATE IN THE PLAN AND RECEIVE PERFORMANCE UNITS THAT ARE CALCULATED AT 20% - 25% OF BASE PAY. THE VALUE OF THE PERFORMANCE UNITS WILL RANGE FROM $0 TO $150 PER PERFORMANCE UNIT ACCORDING TO THE LEVEL OF NATIONAL RURAL'S SECURED DEBT RATINGS BY THE RATING AGENCIES.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047
2010
Open To Public Inspection

Name of the organization: NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Employer identification number 52-0891669

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ $

Part II **Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
Total			▶ $							

Part III **Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
NATIONAL RURAL TELECOMMUNI	MEMBER/BORROWER W/	170,000.	INTEREST EA		X
NATIONAL COOPERATIVE SERVI	MEMBER/BORROWER W/	1,801,578.	INTEREST EA		X
NATIONAL COOPERATIVE SERVI	MEMBER/BORROWER W/	1,427,329.	GUARANTEE F		X
NATIONAL COOPERATIVE SERVI	MEMBER/BORROWER W/	2,440,435.	MANAGEMENT		X
NATIONAL COOPERATIVE SERVI	MEMBER/BORROWER W/	7,672,050.	INTEREST EA		X
NATIONAL RURAL TELECOMMUNI	MEMBER/BORROWER W/	6,326.	COMMITMENT		X

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF INTERESTED PERSON:

NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER/BORROWER W/ COMMON BOARD MEMBER

(C) AMOUNT OF TRANSACTION $ 170,000.

(D) DESCRIPTION OF TRANSACTION: INTEREST EARNED ON

INVESTMENTS/CERTIFICATES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF INTERESTED PERSON:

NATIONAL COOPERATIVE SERVICES CORPORATION, INC.

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER/BORROWER W/ COMMON BOARD MEMBER

(C) AMOUNT OF TRANSACTION $ 1,801,578.

(D) DESCRIPTION OF TRANSACTION: INTEREST EARNED ON INVESTMENTS/

CERTIFICATES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF INTERESTED PERSON:

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

NATIONAL COOPERATIVE SERVICES CORPORATION, INC.

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER/BORROWER W/ COMMON BOARD MEMBER

(C) AMOUNT OF TRANSACTION $ 1,427,329.

(D) DESCRIPTION OF TRANSACTION: GUARANTEE FEES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF INTERESTED PERSON:

NATIONAL COOPERATIVE SERVICES CORPORATION, INC.

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER/BORROWER W/ COMMON BOARD MEMBER

(C) AMOUNT OF TRANSACTION $ 2,440,435.

(D) DESCRIPTION OF TRANSACTION: MANAGEMENT FEES

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF INTERESTED PERSON:

NATIONAL COOPERATIVE SERVICES CORPORATION, INC.

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER/BORROWER W/ COMMON BOARD MEMBER

(C) AMOUNT OF TRANSACTION $ 7,672,050.

(D) DESCRIPTION OF TRANSACTION: INTEREST EARNED ON LOANS.

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF INTERESTED PERSON:

NATIONAL RURAL TELECOMMUNICATIONS COOPERATIVE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

MEMBER/BORROWER W/ COMMON BOARD MEMBER

(C) AMOUNT OF TRANSACTION $ 6,326.

Part V **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

(D) DESCRIPTION OF TRANSACTION: COMMITMENT AND GUARANTEE FEES

(E) SHARING OF ORGANIZATION REVENUES? = NO

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION	52-0891669

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

THE DISTRICT OF COLUMBIA IN APRIL 1969. CFC'S PRINCIPAL PURPOSE IS TO PROVIDE ITS MEMBERS WITH FINANCING TO SUPPLEMENT THE LOAN PROGRAMS OF THE RURAL UTILITIES SERVICE ("RUS") OF THE UNITED STATES DEPARTMENT OF AGRICULTURE. CFC MAKES LOANS PRIMARILY TO ITS RURAL ELECTRIC MEMBERS SO THEY CAN ACQUIRE, CONSTRUCT AND OPERATE ELECTRIC DISTRIBUTION, GENERATION, TRANSMISSION AND RELATED FACILITIES. CFC ALSO PROVIDES ITS MEMBERS WITH CREDIT ENHANCEMENTS IN THE FORM OF LETTERS OF CREDIT AND GUARANTEES OF DEBT OBLIGATIONS.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

YEAR ENDED MAY 31, 2011. DURING FISCAL YEAR 2011, CFC'S WHOLLY OWNED SUBSIDIARY CAH OBTAINED 100% OF THE EQUITY INTERESTS IN OPERATING ENTITIES LOCATED IN THE CARIBBEAN THROUGH FORECLOSURE IN SATISFACTION OF A BANKRUPTCY SETTLEMENT OF A BORROWER WHOSE WAS IN DEFAULT TO US. THE CAH OPERATING COMPANIES EXPERIENCED $11,903,220 IN LOSSES FROM OPERATIONS WHICH ARE COMPRISED OF TELECOMMUNICATIONS AND CABLE TELEVISION SERVICES IN THE U.S. VIRGIN ISLANDS, BRITISH VIRGIN ISLANDS AND ST. MAARTEN.

DENTON REALTY PARTNERS ("DRP") HOLDS ASSETS INCLUDING A LAND DEVELOPMENT LOAN, LIMITED PARTNERSHIP INTERESTS IN CERTAIN REAL ESTATE DEVELOPMENTS AND DEVELOPED LOST AND LAND, RAW LAND AND UNDERGROUND MINERAL RIGHTS IN TEXAS. THESE FORECLOSED ASSETS ARE HELD BY TWO WHOLLY OWNED SUBSIDIARIES OF CFC. DURING THE YEAR, DRP EXPERIENCED LOSS FROM OPERATIONS OF $125,032.

Name of the organization NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Employer identification number 52-0891669

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

GRANTS - AS A COOPERATIVE FORMED UNDER THE LAWS OF THE DISTRICT OF COLUMBIA, CFC IS REQUIRED TO ALLOCATE A PERCENTAGE OF ITS NET EARNINGS TO AN EDUCATIONAL FUND. COOPERATIVES ARE REQUIRED BY THIS ACT TO EDUCATE THE PUBLIC ABOUT COOPERATIVE PRINCIPLES. THE EDUCATION FUND GRANTS MADE BY CFC ARE MAINLY TO STATEWIDE MEMBERSHIP ORGANIZATIONS THAT USE THESE GRANTS TO EDUCATE CUSTOMERS AND CITIZENS ABOUT COOPERATIVE PRINCIPLES. ADDITIONALLY, CFC MANAGES A VOLUNTARY FUND ESTABLISHED FOR THE PURPOSE OF ASSISTING COOPERATIVES IN DEFENDING THEIR COOPERATIVE TERRITORIES AND PROTECTING COOPERATIVE PRINCIPLES.

LOSS ON WHOLE LOAN SALE - CFC ACCOUNTS FOR THE SALE OF LOANS IN SECURITIZATION TRANSACTIONS BY DERECOGNIZING FINANCIAL ASSETS WHEN CONTROL HAS BEEN SURRENDERED. DEFERRED TRANSACTION COSTS AND UNAMORTIZED DEFERRED LOAN ORIGINATION COSTS RELATED TO THE LOANS SOLD ARE INCLUDED IN THE CALCULATION OF THE GAIN OR LOSS ON THE SALE.

EXPENSES $ 2,297,525. INCLUDING GRANTS OF $ 2,123,427. REVENUE $ 0.

FORM 990, PART VI, SECTION A, LINE 4: CFC MEMBERS APPROVED AMENDMENTS TO THE ORGANIZATION'S BYLAWS AT CFC'S ANNUAL MEETING HELD ON MARCH 7, 2011. THE BYLAW AMENDMENTS ALLOW MEMBERS TO VOTE IN PERSON AT CFC MEETINGS OR BY MAIL BALLOT. THE AMENDMENTS SPECIFY THE PROCESS FOR MAIL BALLOTING AND CHANGE THE MAILING SCHEDULE FOR MEMBER NOTIFICATIONS ACCORDINGLY. SINCE IT WOULD BE TOO CUMBERSOME TO CONDUCT A SECOND ROUND OF VOTING BY MAIL IN THE EVENT OF A TIE VOTE, THE BYLAW AMENDMENTS PROVIDE THAT IN THE EVENT OF A TIE VOTE IN DIRECTOR ELECTIONS, THE WINNING CANDIDATE WOULD BE SELECTED BY "DRAWING LOTS" VIA A METHOD DETERMINED BY THE INDIVIDUAL PRESIDING OVER THE

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MEETING.

CFC IS INCORPORATED UNDER THE DISTRICT OF COLUMBIA COOPERATIVE ACT (THE "ACT"). THE ACT CURRENTLY ALLOWS FOR A MAIL BALLOT PROCESS BY U.S. POSTAL SERVICE ONLY. IF THE ACT IS EVER REVISED TO ALLOW FOR ELECTRONIC VOTING, THE BYLAWS, AS AMENDED, WOULD PERMIT THE CFC BOARD TO AUTHORIZE ELECTRONIC VOTING IN ACCORDANCE WITH THE ACT.

FORM 990, PART VI, SECTION A, LINE 6: NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION IS A NON-STOCK, MEMBERSHIP ORGANIZATION. AS OF MAY 31, 2011, THERE WERE 1,030 MEMBERS AND ASSOCIATES. MEMBERSHIP INCLUDED:

CLASS A.

THERE WERE 834 CLASS A MEMBERS - COOPERATIVE OR NONPROFIT CORPORATIONS, PUBLIC CORPORATIONS, UTILITY DISTRICTS, AND OTHER PUBLIC BODIES, WHICH HAVE RECEIVED OR ARE ELIGIBLE TO RECEIVE A LOAN OR COMMITMENT FOR A LOAN FROM THE RURAL UTILITIES SERVICE OR ANY SUCCESSOR AGENCY, AND WHICH ARE ENGAGED OR PLANNING TO ENGAGE IN THE FURNISHING OF UTILITY SERVICES TO THEIR MEMBERS AND PATRONS FOR THEIR USE AS ULTIMATE CONSUMERS.

CLASS B.

THERE WERE 71 CLASS B MEMBERS - COOPERATIVE OR NONPROFIT CORPORATIONS WHICH ARE FEDERATIONS OF CLASS A MEMBERS OR OF OTHER CLASS B MEMBERS, OR BOTH, OR WHICH ARE OWNED AND CONTROLLED BY CLASS A MEMBERS OR BY OTHER CLASS B MEMBERS, OR BOTH, AND WHICH ARE ENGAGED OR PLANNING TO ENGAGE IN THE FURNISHING OF UTILITY SERVICES PRIMARILY TO CLASS A MEMBERS OR OTHER CLASS B MEMBERS.

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CLASS C.

THERE WERE 66 CLASS C MEMBERS - STATEWIDE AND REGIONAL ASSOCIATIONS WHICH ARE WHOLLY-OWNED OR CONTROLLED BY CLASS A MEMBERS OR CLASS B MEMBERS, OR BOTH, OR WHICH ARE WHOLLY-OWNED SUBSIDIARIES OF A CFC MEMBER, AND WHICH DO NOT FURNISH UTILITY SERVICES BUT WHICH SUPPLY OTHER FORMS OF SERVICE TO THEIR MEMBERS.

CLASS D

THERE WAS 1 CLASS D MEMBER. CLASS D MEMBERS ARE NATIONAL ASSOCIATIONS OF COOPERATIVES COMPRISED OF CLASS A, CLASS B AND CLASS C MEMBERS. IN ORDER TO BE ELIGIBLE FOR MEMBERSHIP TO CFC, A NATIONAL ASSOCIATION MUST HAVE, AT THE TIME OF ADMISSION TO CFC, MEMBER COOPERATIVES DOMICILED IN AT LEAST 80% OF THE STATES OF THE UNITED STATES.

IN ADDITION TO MEMBERS, ASSOCIATES (NUMBERING 58) ARE NOT-FOR-PROFIT ENTITIES ORGANIZED ON A COOPERATIVE BASIS WHICH ARE OWNED, CONTROLLED OR OPERATED BY CLASS A, B OR C MEMBERS AND WHICH PROVIDE NON-ELECTRIC SERVICES PRIMARILY FOR THE BENEFIT OF CONSUMERS. ASSOCIATES ARE NOT ENTITLED TO VOTE AT ANY MEETING OF THE MEMBERS AND ARE NOT ELIGIBLE TO BE REPRESENTED ON OUR BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION A, LINE 7A: THE DIRECTORS THAT COMPRISE CFC'S BOARD OF DIRECTORS ARE DIVIDED INTO THREE CLASSES; TWO CONSISTING OF SEVEN DIRECTORS EACH AND THE THIRD OF EIGHT DIRECTORS. IF THE BOARD OF DIRECTORS IN ITS DISCRETION SO DETERMINES, THEN THERE MAY BE ONE ADDITIONAL AT-LARGE DIRECTOR ELECTED TO SERVE ON THE BOARD OF DIRECTORS OF CFC FROM TIME TO TIME. DIRECTORS IN EACH CLASS SERVE FOR TERMS OF THREE YEARS AND THE

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EXPIRATION OF EACH CLASS OF DIRECTORS' TERMS OCCUR IN DIFFERENT YEARS. UPON EXPIRATION OF THE TERM OF A DIRECTOR, MEMBERS FROM THAT DIRECTOR'S REGION ELECT A DIRECTOR TO REPRESENT THEM ON CFC'S BOARD. ELECTIONS FOR THOSE DIRECTORS WHOSE TERMS ARE EXPIRING ARE HELD ANNUALLY. A DIRECTOR MAY NOT BE ELECTED TO SERVE MORE THAN TWO CONSECUTIVE TERMS ON THE CFC BOARD.

FORM 990, PART VI, SECTION B, LINE 11: THE BOARD OF DIRECTORS OF NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC") REVIEWED THE 2010 FORM 990 FOR FISCAL YEAR ENDED MAY 31, 2011 AT A REGULARLY SCHEDULED BOARD MEETING PRIOR TO FILING THE FORM 990 WITH THE INTERNAL REVENUE SERVICE. A DRAFT OF THE FORM 990 WAS PREPARED BY CFC STAFF, REVIEWED BY INTERNAL COUNSEL AND SENIOR MANAGEMENT, REVIEWED BY EXTERNAL TAX ADVISORS, DELOITTE TAX LLP, AND PRESENTED TO THE BOARD FOR REVIEW. A DETAILED PRESENTATION ABOUT THE FORM 990 WAS MADE BY CFC STAFF TO THE BOARD AT A REGULARLY SCHEDULED BOARD MEETING.

FORM 990, PART VI, SECTION B, LINE 12C: CONFLICTS OF INTERESTS ARE ADDRESSED BY CFC THROUGH ITS RELATED PERSON TRANSACTIONS AND RELATED CREDITS POLICY (THE "POLICY"). CFC ESTABLISHED THE POLICY IN MAY 2007, AS AMENDED FROM TIME TO TIME, TO FACILITATE DISCLOSURE WITH RESPECT TO TRANSACTIONS IN WHICH ITS EXECUTIVE OFFICERS, DIRECTORS AND KEY EMPLOYEES HAVE A SUBSTANTIAL INTEREST. A RELATED PERSON TRANSACTION IS DEFINED AS ANY TRANSACTION IN WHICH (I) CFC WAS, IS, OR PROPOSES TO BE A PARTICIPANT,(II) THE AMOUNT INVOLVED EXCEEDS $120,000 AND (III) A RELATED PERSON HAS OR WILL HAVE A DIRECT OR INDIRECT MATERIAL INTEREST IN QUESTION.

THE POLICY APPLIES TO ALL EXECUTIVE OFFICERS, DIRECTORS AND KEY EMPLOYEES OF CFC ("COVERED EMPLOYEES") AND REQUIRES SIMILAR DISCLOSURE TO THAT

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REQUIRED BY ITEM 404 OF REGULATION S-K OF THE SECURITIES ACT OF 1933, AS AMENDED. THE POLICY IS CONSISTENTLY MONITORED AND ENFORCED AT EACH REGULARLY SCHEDULED MEETING OF CFC'S BOARD. PURSUANT TO THE POLICY, EACH COVERED EMPLOYEE THAT IS AWARE OF A POTENTIAL CONFLICT OF INTEREST BETWEEN THEMSELVES AND CFC IS REQUIRED TO COMPLETE A RELATED PERSON DISCLOSURE NOTICE AT EACH BOARD MEETING DESCRIBING SUCH CONFLICT. OUTSIDE OF REGULARLY SCHEDULED BOARD MEETINGS, COVERED EMPLOYEES ARE REQUIRED TO COMPLETE RELATED PERSON DISCLOSURE NOTICES WHENEVER THEY BECOME AWARE OF A POTENTIAL CONFLICT OF INTEREST. THE RELATED PERSON DISCLOSURE NOTICE REQUIRES A DESCRIPTION OF THE PARTIES INVOLVED IN THE TRANSACTION, THE APPROXIMATE DOLLAR AMOUNT OF THE TRANSACTION, AS WELL AS AN UPDATE WITH RESPECT TO THE TIMING AND STATUS OF THE TRANSACTION.

UPON RECEIPT OF A RELATED PERSON DISCLOSURE NOTICE, CFC'S GENERAL COUNSEL IS RESPONSIBLE FOR THE REVIEW, APPROVAL AND RATIFICATION OF ANY RELATED PERSON TRANSACTION. THOSE RELATED PERSON TRANSACTIONS INVOLVING A SUBSTANTIAL INTEREST OF CFC'S GENERAL COUNSEL ARE REQUIRED TO BE REFERRED TO THE BOARD FOR REVIEW, APPROVAL AND RATIFICATION. IN REVIEWING AND APPROVING RELATED PERSON TRANSACTIONS, THE GENERAL COUNSEL, AND WHEN APPLICABLE, THE BOARD, MUST TAKE INTO ACCOUNT THE BUSINESS PURPOSE OF THE TRANSACTION, WHETHER THE TRANSACTION IS ENTERED INTO ON AN ARMS-LENGTH BASIS ON TERMS FAIR TO CFC AND WHETHER SUCH TRANSACTION WOULD VIOLATE CFC'S CODE OF ETHICS.

DIRECTOR COMPENSATION ARRANGEMENTS, EXECUTIVE OFFICER COMPENSATION ARRANGEMENTS AND KEY EMPLOYEE COMPENSATION ARRANGEMENTS ARE EACH EXCLUDED FROM THE DEFINITION OF RELATED PERSON TRANSACTIONS, AS WELL AS TRANSACTIONS IN WHICH THE RELATED PERSON'S INTEREST ARISES ONLY FROM THE PERSON'S

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POSITION AS A DIRECTOR OF ANOTHER ENTITY THAT IS A PARTY TO THE TRANSACTIONS. FINALLY, RELATED CREDITS ARE ALSO EXCLUDED FROM THE DEFINITION OF A RELATED PERSON TRANSACTION. A RELATED CREDIT IS DEFINED AS THE EXTENSION OF CREDIT TO OR FOR THE BENEFIT OF COVERED EMPLOYEES (DEFINED AS RELATED PERSONS UNDER THE POLICY) OR RELATED ENTITIES THAT ARE MADE ON SUBSTANTIALLY THE SAME TERMS AND FOLLOW THE UNDERWRITING PROCEDURES THAT ARE NO LESS STRINGENT THAN THOSE PREVAILING AT THE TIME FOR COMPARABLE TRANSACTIONS GENERALLY OFFERED BY CFC. THE POLICY PROHIBITS CFC FROM EXTENDING CREDIT IN THE FORM OF A PERSONAL LOAN TO A RELATED PERSON. RELATED ENTITIES INCLUDE CFC'S MEMBER COOPERATIVES AS WELL AS ANY COOPERATIVE, PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY OR TRUST FOR WHICH A RELATED PERSON SERVES AS AN OFFICER, DIRECTOR, EMPLOYEE OR IN ANY OTHER FIDUCIARY CAPACITY OR WHICH IS CONTROLLED BY A RELATED PERSON. THE BOARD HAS DELEGATED TO THE CEO, WITH AUTHORITY TO REDELEGATE TO SUCH OFFICER OF CFC AS THE CEO DEEMS APPROPRIATE, THE AUTHORITY TO APPROVE ALL RELATED CREDITS IN AN AMOUNT EQUAL TO OR LESS THAN $250,000, ANY EMERGENCY LINES OF CREDIT, ANY RELATED CREDIT SECURED BY CASH OR CASH EQUIVALENT, ALL RELATED CREDITS THAT ARE USED TO REFINANCE RUS 5% LOANS, AND ALL LINE OF CREDIT LOANS THAT ARE USED SOLELY AS SUPPORT FOR CFC'S CORPORATE CREDIT CARD PROGRAM. RELATED CREDITS IN EXCESS OF $250,000 MUST BE APPROVED BY THE BOARD. ALL RELATED PERSONS ARE REQUIRED TO ABSTAIN FROM PARTICIPATING, DIRECTLY OR INDIRECTLY, IN THE CREDIT APPROVAL PROCESS INVOLVING A RELATED CREDIT. ADDITIONALLY, ALL RELATED PERSON ARE REQUIRED TO LEAVE THE BOARD MEETING WHILE THE RELATED CREDIT IS BEING CONSIDERED AND DISCUSSED AND RELATED PERSONS ARE NOT PROVIDED WITH ANY WRITTEN MATERIALS PERTAINING TO SUCH RELATED CREDIT.

FORM 990, PART VI, SECTION B, LINE 15: CFC'S EXECUTIVE COMPENSATION

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COMMITTEE (THE "COMMITTEE"), WHICH IS COMPRISED OF CFC EXECUTIVE COMMITTEE BOARD MEMBERS, DETERMINES AND APPROVES THE COMPENSATION OF CFC'S GOVERNOR AND CHIEF EXECUTIVE OFFICER (THE "CEO"). THE COMMITTEE ANNUALLY REVIEWS AND APPROVES APPROPRIATE CORPORATE GOALS AND OBJECTIVES RELATED TO THE CEO'S COMPENSATION AND EVALUATES PERFORMANCE IN LIGHT OF THOSE GOALS AND OBJECTIVES. THE CEO'S COMPENSATION IS COMPRISED OF BASE PAY, SHORT AND LONG TERM INCENTIVE COMPENSATION AND PERQUISITES.

IN FISCAL YEAR 2011, AN INDEPENDENT COMPENSATION CONSULTANT WAS ENGAGED BY THE COMPENSATION COMMITTEE TO CONDUCT A COMPENSATION SURVEY AND PROVIDE COMPENSATION DATA FOR THE CEO POSITION USING PEER ORGANIZATIONS IDENTIFIED BY THE INDEPENDENT CONSULTANT THROUGH INTERVIEWS WITH THE COMPENSATION COMMITTEE. THE INDEPENDENT CONSULTANT INCLUDED COMPANIES IN THE COMPENSATION COMPARISON GROUP THAT WERE SIMILAR TO CFC IN ASSET SIZE, INDUSTRY AND BUSINESS DESCRIPTION. THE GROUP INCLUDED FINANCIAL INSTITUTIONS THAT ARE PRIVATE MARKET, COMMERCIAL AND/OR MISSION-DRIVEN LENDERS, OFFERING FULL SERVICE FINANCING, INVESTMENT AND RELATED SERVICES. THE COMPANIES TARGETED AS PEER COMPANIES INCLUDED THREE MEMBERS OF THE FARM CREDIT SYSTEM AND 10 REGIONAL BANKS OR FINANCIAL SERVICES COMPANIES. THESE COMPANIES WERE CHOSEN BECAUSE THEIR BUSINESSES ARE SIMILAR TO CFC'S. ALTHOUGH CFC IS NOT FOCUSED ON PROFITS LIKE THE INSTITUTIONS IN THE PEER GROUP, THE DEMANDS OF ITS ROLE AS A LENDING INSTITUTION DICTATE THAT ANY SEARCH FOR A NEW CEO FROM OUTSIDE CFC FOCUS PRIMARILY ON THE FINANCIAL SERVICES SECTOR RATHER THAN THE NOT-FOR-PROFIT SECTOR. THE COMPENSATION COMMITTEE BELIEVES THAT THESE COMPANIES EMPLOY EXECUTIVES THAT HAVE SKILLS AND EXPERTISE CONSISTENT WITH WHAT CFC WOULD SEEK IF IT HAD TO REPLACE THE CEO.

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THE TARGETED COMPANIES HAD ASSETS RANGING FROM APPROXIMATELY 50 PERCENT TO 200 PERCENT OF CFC'S DECEMBER 2009 TOTAL ASSETS OF $20,140 MILLION, AND INCLUDED EIGHT COMPANIES WITH GREATER TOTAL ASSETS THAN CFC'S. THE COMPARATOR GROUP CONSISTED OF FINANCIAL SERVICES ORGANIZATIONS NEW YORK COMMUNITY BANCORP, INC., STUDENT LOAN CORP., ASTORIA FINANCIAL CORP., NELNET, INC., WEBSTER FINANCIAL CORP., FLAGSTAR BANCORP, PEOPLE'S UNITED FINANCIAL CORP., WASHINGTON FEDERAL INC., TFS FINANCIAL CORP. AND HUDSON CITY BANCORP INC., AS WELL AS THREE FARM CREDIT SYSTEM PEERS. ALTHOUGH HUDSON CITY BANCORP INC.'S 2009 ASSETS ARE OUTSIDE OF THE NORMAL TARGETED ASSET RANGE, THE INDEPENDENT CONSULTANT RECOMMENDED THAT THIS COMPANY REMAIN IN THE PEER GROUP.

THE INDEPENDENT CONSULTANT LED THE COMPENSATION COMMITTEE THROUGH AN ASSESSMENT OF CEO COMPENSATION DATA AT THE COMPARISON GROUP COMPANIES USING BOTH A ONE-YEAR AND A THREE-YEAR COMPENSATION ANALYSIS. THE INDEPENDENT CONSULTANT'S DATA INCLUDED BOTH ACTUAL COMPENSATION AND TARGET COMPENSATION BASED ON INFORMATION OBTAINED FROM EACH COMPARATOR GROUP COMPANY'S MOST RECENT ANNUAL REPORT OR PROXY STATEMENT. THE ELEMENTS OF COMPENSATION REVIEWED INCLUDE:CURRENT BASE SALARY AS WELL AS ANY ADDITIONAL BONUS, INCENTIVES OR SPECIAL AWARDS.

THE COMPENSATION COMMITTEE REVIEWED TOTAL COMPENSATION DATA FOR THE COMPARATOR GROUP FOR INFORMATIONAL PURPOSES AND USED THIS DATA SOLELY TO DETERMINE THE COMPETITIVENESS OF OUR CEO BASE PAY.

AFTER REVIEWING THE PERFORMANCE OF THE ORGANIZATION AND THE EVALUATION OF THE CEO'S PERFORMANCE BY EACH BOARD MEMBER, IT WAS THE ASSESSMENT OF THE COMMITTEE THAT THE CEO AND THE ORGANIZATION PERFORMED EXTREMELY WELL DURING

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ANOTHER VOLATILE BUSINESS YEAR. THE COMMITTEE ALSO TOOK INTO CONSIDERATION THE INFORMATION PROVIDED BY THE INDEPENDENT CONSULTANT, INDICATING THAT EXECUTIVE PAY INCREASES WERE PROJECTED TO AVERAGE ABOUT 3 PERCENT FOR CALENDAR YEAR 2011. THEREFORE, IN RECOGNITION OF HIS STRONG PERFORMANCE AND LEADERSHIP, THE COMPENSATION COMMITTEE INCREASED THE CEO'S BASE PAY TO $790,000, EFFECTIVE JANUARY 1, 2011.

CFC'S SHORT-TERM CASH INCENTIVE PROGRAM IS A ONE-YEAR CASH INCENTIVE THAT IS TIED TO THE ANNUAL PERFORMANCE OF THE ORGANIZATION AS A WHOLE. CORPORATE PERFORMANCE IS MEASURED USING A BALANCED SCORECARD APPROVED BY THE BOARD OF DIRECTORS PRIOR TO THE START OF THE FISCAL YEAR. THE BALANCED SCORECARD IS A PERFORMANCE MANAGEMENT TOOL THAT ARTICULATES THE CORPORATE STRATEGY INTO SPECIFIC, QUANTIFIABLE, MEASURABLE GOALS.

THE SCORECARD IS DIVIDED INTO FOUR QUADRANTS, REFLECTING CRUCIAL AREAS OF BUSINESS PERFORMANCE. SPECIFIC GOALS ARE ESTABLISHED WITHIN THOSE QUADRANTS TO FOCUS ALL EMPLOYEES ON THE TARGET RESULTS AND MEASURES THAT MUST BE ACHIEVED IF WE ARE TO SUCCEED AT REALIZING OUR STRATEGIC PLAN. THE INTENT IS TO ALIGN ORGANIZATIONAL, DEPARTMENTAL AND INDIVIDUAL INITIATIVES TO ACHIEVE A COMMON SET OF GOALS. EVERY EMPLOYEE PARTICIPATES IN THE SHORT-TERM INCENTIVE PROGRAM, AND THE CORPORATE STRATEGIC GOALS ARE THE SAME FOR ALL EMPLOYEES, INCLUDING THE NAMED EXECUTIVE OFFICERS.

THE BOARD OF DIRECTORS ESTABLISHES CORPORATE GOALS AND MEASURES THAT THEY BELIEVE ARE ACHIEVABLE ONLY IF EACH INDIVIDUAL PERFORMS WELL IN HIS OR HER ROLE AND CFC MEETS ITS INTERNAL BUSINESS PLAN GOALS. THE SHORT-TERM INCENTIVE PROGRAM PROVIDES ANNUAL CASH INCENTIVE OPPORTUNITIES BASED UPON THE LEVEL OF THE POSITION WITHIN CFC'S BASE PAY STRUCTURE, RANGING FROM 15

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PERCENT-25 PERCENT OF BASE PAY. THE CEO IS ELIGIBLE FOR AN ANNUAL INCENTIVE OPPORTUNITY AT 25% OF HIS BASE PAY.

THE LONG-TERM INCENTIVE PROGRAM IS A THREE-YEAR PLAN THAT IS TIED TO CFC'S LONG-TERM STRATEGIC OBJECTIVES. THE MEASURE FOR ALL ACTIVE LONG-TERM INCENTIVE PLANS IS THE ACHIEVEMENT OF BOND RATING TARGETS FOR CFC'S SENIOR SECURED DEBT BY RATING AGENCIES: STANDARD & POOR'S CORPORATION AND MOODY'S INVESTORS SERVICE. ELIGIBLE PARTICIPANTS IN THE PLAN CYCLE WILL RECEIVE PERFORMANCE UNITS THAT ARE CALCULATED AT 15% - 25% OF BASE PAY, DIVIDED BY THE TARGET OBJECTIVE, CURRENTLY $100. THE CEO'S PERFORMANCE UNITS ARE CALCULATED AT 25% OF HIS BASE PAY DIVIDED BY THE TARGET OBJECTIVE.

THE COMMITTEE ALSO CONSIDERS PERQUISITES FOR THE CEO IN CONNECTION WITH ITS ANNUAL REVIEW OF THE CEO'S TOTAL COMPENSATION PACKAGE DESCRIBED ABOVE. THE PERQUISITES PROVIDED TO CFC'S CEO ARE LIMITED TO AN ANNUAL AUTOMOBILE ALLOWANCE AS WELL AS AN ANNUAL SPOUSAL AIR TRAVEL ALLOWANCE. TO PROVIDE THESE PERQUISITES IN AN EFFICIENT FASHION, THE BOARD AUTHORIZES AN ANNUAL ALLOWANCE RATHER THAN PROVIDING UNLIMITED REIMBURSEMENT OR USE OF A COMPANY-OWNED VEHICLE. THE AMOUNT OF EACH ALLOWANCE IS AUTHORIZED ANNUALLY BY THE BOARD AND IS DETERMINED BASED ON THE ESTIMATED COST FOR OPERATION AND MAINTENANCE OF AN AUTOMOBILE AND THE ANTICIPATED COST OF AIR TRAVEL BY THE CEO'S SPOUSE. ADDITIONALLY, CFC'S CEO RECEIVES AN ANNUAL EXECUTIVE PHYSICAL PAID FOR BY CFC.

THE COMMITTEE DELEGATES THE POWER TO REVIEW AND APPROVE ALL EMPLOYEE COMPENSATION TO THE CEO, WHO EXERCISES HIS JUDGMENT TO SET THE ANNUAL BASE PAY FOR THE OTHER NAMED EXECUTIVE OFFICERS AND KEY EMPLOYEES, AS WELL AS EACH EMPLOYEE BASED ON GENERAL MARKET DATA, OVERALL PERFORMANCE AND

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LEADERSHIP ACCOMPLISHMENTS. IN DETERMINING THE BASE COMPENSATION PAID TO CFC'S EXECUTIVE OFFICERS AND KEY EMPLOYEES, THE CEO REVIEWED NATIONAL, CREDIBLE COMPENSATION SURVEYS FOR FINANCIAL SERVICES ORGANIZATIONS OF SIMILAR ASSET SIZE TO OBTAIN A GENERAL UNDERSTANDING OF CURRENT COMPENSATION PRACTICES AND TO ENSURE THAT THE BASE PAY COMPONENT OF COMPENSATION FOR THE OTHER NAMED EXECUTIVE OFFICERS AND KEY EMPLOYEES IS COMPETITIVE, MEANING GENERALLY WITHIN THE 50TH PERCENTILE OF COMPARATIVE PAY FOR SIMILAR POSITIONS. THE CEO DID NOT REVIEW OR CONSIDER THE UNDERLYING ORGANIZATIONS COMPRISING THE SURVEY INFORMATION, BUT INSTEAD CONSIDERED ONLY THE AGGREGATE COMPENSATION DATA.

THE CEO EXERCISED HIS JUDGMENT TO SET THE ANNUAL BASE PAY FOR THE OTHER NAMED EXECUTIVE OFFICERS AND KEY EMPLOYEES BASED ON GENERAL MARKET DATA, OVERALL PERFORMANCE AND LEADERSHIP ACCOMPLISHMENTS.

EFFECTIVE JUNE 1, 2010, THE ROLE OF MR. EVANS, SENIOR VICE PRESIDENT, OPERATIONS, WAS CHANGED TO EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER, RECOGNIZING THE INCREASING RESPONSIBILITIES AND LEADERSHIP THAT MR. EVANS HOLDS WITHIN THE ORGANIZATION. ALSO EFFECTIVE JUNE 1, 2010, MR. J. ANDREW DON WAS PROMOTED TO SENIOR VICE PRESIDENT & TREASURER, MAKING HIM A SENIOR VICE PRESIDENT OF THE COMPANY. MESSRS EVAN AND DON'S BASE SALARY REFLECTS THE COMPENSATION ASSESSMENT OF THEIR NEW POSITIONS AS WELL AS THEIR OUTSTANDING PERFORMANCE.

EACH EXECUTIVE OFFICER AND KEY EMPLOYEE IS ELIGIBLE TO PARTICIPATE IN CFC'S SHORT TERM AND LONG TERM INCENTIVE PLANS AS DESCRIBED ABOVE WITH RESPECT TO CFC'S CEO. CFC DOES NOT PROVIDE SIGNIFICANT PERQUISITES OR PERSONAL BENEFITS TO ITS EXECUTIVE OFFICERS OR KEY EMPLOYEES.

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FORM 990, PART VI, SECTION C, LINE 19: CFC'S BYLAWS, AS AMENDED, AND ANNUAL AND PERIODIC FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC THROUGH THE SECURITIES AND EXCHANGE COMMISSION'S ("SEC") WEBSITE. CFC'S ARTICLES OF INCORPORATION AND BYLAWS, AS AMENDED, ARE ALSO AVAILABLE ON CFC'S WEBSITE AT WWW.NRUCFC.COOP. CFC'S CONFLICT OF INTEREST POLICY, TITLED THE RELATED PERSONS TRANSACTIONS AND RELATED CREDITS POLICY, IS ALSO AVAILABLE ON CFC'S WEBSITE AT WWW.NRUCFC.COOP.

CFC'S BYLAWS ARE FILED AS EXHIBIT 3.2 TO THE FORM 10-Q FOR THE QUARTER ENDED FEBRUARY 28, 2011, FILED ON APRIL 13, 2011. CFC'S ANNUAL AND PERIODIC FINANCIAL STATEMENTS ARE PERIODICALLY FILED WITH THE SEC ON FORM 10-K AND FORM 10-Q. CFC'S ARTICLES OF INCORPORATION ARE FILED AS EXHIBIT 3.1 TO REGISTRATION STATEMENT NO. 2-46018, FILED ON OCTOBER 12, 1972, HOWEVER, THIS FILING IS NOT CURRENTLY PUBLICLY AVAILABLE.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

PATRONAGE CAPITAL DISTRIBUTION	-51,396,335.
MEMBERSHIP FEES	3,000.
OTHER COMPREHENSIVE INCOME	1,754,135.
DERIVATIVE FORWARD VALUE	-23,697,677.
FAIR VALUE ADJ. FORECLOSED ASSETS	-3,960,658.
INTEGRITY FUND	1,310,353.
ACCUMULATED DEFICIT -CFC ADVANTGE	-70,402.
EDUCATION FUND	-32,301.
DRP-K1	-17,699.
TOTAL TO FORM 990, PART XI, LINE 5	-76,107,584.

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FORM 990, PART XI, LINE 2C

ORGANIZATION'S FINANCIAL STATEMENTS AUDITED BY INDEPENDENT ACCOUNTANTS. WHILE THERE IS NO A SEPERATE AUDIT PERFORMED OF THE CFC FINANCIAL STATEMENTS, THE CFC FINANCIAL STATEMENTS ARE CONSOLIDATED WITH THE STATEMENTS OF NATIONAL COOPERATIVE SERVICES CORPORATION AND RURAL TELEPHONE FINANCE COOPERATIVE. THE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED.

CFC'S AUDIT COMMITTEE IS SOLELY RESPONSIBLE FOR THE NOMINATION, APPROVAL, COMPENSATION, EVALUATION AND DISCHARGE OF THE INDEPENDENT PUBLIC ACCOUNTANTS. THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS REPORT DIRECTLY TO THE AUDIT COMMITTEE AND THE AUDIT COMMITTEE IS RESPONSIBLE FOR THE RESOLUTION OF DISAGREEMENTS BETWEEN MANAGEMENT AND THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS. CONSISTENT WITH SECURITIES AND EXCHANGE COMMISSION REQUIREMENTS, THE AUDIT COMMITTEE HAS ADOPTED A POLICY TO PRE-APPROVE ALL AUDIT AND PERMISSIBLE NON-AUDIT SERVICES PROVIDED BY THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS. THE POLICY PROVIDES THAT PRE-APPROVAL IS NOT REQUIRED FOR CERTAIN PERMISSIBLE NON-AUDIT SERVICES OF A DE MINIMIS AMOUNT. THE COMMITTEE MEETS WITH OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM, INTERNAL AUDITORS, CHIEF EXECUTIVE OFFICER AND FINANCIAL MANAGEMENT EXECUTIVES TO REVIEW THE SCOPE AND RESULTS OF AUDITS AND RECOMMENDATIONS MADE BY THOSE PERSONS WITH RESPECT TO INTERNAL AND EXTERNAL ACCOUNTING CONTROLS AND SPECIFIC ACCOUNTING AND FINANCIAL REPORTING ISSUES AND TO ASSESS CORPORATE RISK. THE BOARD HAS ADOPTED A WRITTEN CHARTER FOR THE AUDIT COMMITTEE WHICH MAY BE FOUND ON OUR WEBSITE, WWW.NRUCFC.COOP. THE PROCESS HAS NOT CHANGED FROM THE PRIOR PERIOD.

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FORM 990, PART VI, QUESTION 16B

POLICY OR PROCEDURE REGARDING JOINT VENTURE ARRANGEMENTS

PART VI., SECTION B., QUESTION 16.

AS A LENDER, CFC, FROM TIME TO TIME, MAY HAVE TO FORECLOSE ON THE ASSETS OF A BORROWER. AS PART OF SUCH ACTIONS, THE COMPANY MAY RECEIVE INTERESTS IN JOINT VENTURES WITH TAXABLE ENTITIES. CFC TAKES SUCH INTERESTS ONLY IN THE INTEREST OF MAXIMIZING ITS RECOVERY ON THE LOAN RECEIVABLE. CFC DOES NOT ENTER INTO JOINT VENTURES WITH TAXABLE ENTITIES AS PART OF ITS CORE LENDING BUSINESS. TO DATE, THE COMPANY'S INVESTMENT IN THESE JOINT VENTURES HAS BEEN NOMINAL. CFC HAS DEVELOPED A WRITTEN POLICY THAT REQUIRES THE COMPANY TO EVALUATE ITS PARTICIPATION IN JOINT VENTURE ARRANGEMENTS AND TAKE STEPS TO SAFEGUARD THE COMPANY'S 501(C)(4) TAX EXEMPT STATUS.

SCHEDULE R (Form 990)
Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2010
Open to Public Inspection

Name of the organization: NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

Employer identification number: 52-0891669

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CFC ADVANTAGE LLC - 20-5755206 C/O NRUCFC, 20701 COOPERATIVE WAY DULLES, VA 20166	BUY AND SELL LOANS	VIRGINIA	0.	40,163.	NA
DENTON REALTY PARTNERS, LP - 06-2967876 C/O NRUCFC, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	DELAWARE	0.	46,883,322.	DENTON REALTY HOLDINGS, LLC, AND DENTON REALTY INVESTORS, LLC
DENTON REALTY HOLDINGS, LLC - 06-1673239 C/O NRUCFC, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	DELAWARE	0.	0.	NA
DENTON REALTY INVESTORS, LLC C/O NRUCFC, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	DELAWARE	0.	0.	NA

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No

For Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule R (Form 990) 2010**

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Part I **Continuation of Identification of Disregarded Entities**

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CARIBBEAN ASSET HOLDINGS, LLC - 26-4752447 C/O NRUCFC, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	DELAWARE	0.	308,907,000.	NA
DRP COUNTRY LAKES, LLC - 27-2847626 C/O NRUCFC, 20701 COOPERATIVE WAY DULLES, VA 20166	OWN OPERATE MANAGE AND SELL IMRPOVE REAL PROPERTY	TEXAS	0.	9,076,516.	NA

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
DTR HOLDINGS, LLC - 66-0728522 C/O CAH, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	VIRGIN ISLANDS,	CARIBBEAN ASSET HOLDINGS, LLC	C CORP	0.	387,365,000.	100%
VI POWERNET, LLC - 66-0728523 C/O DTR HOLDINGS, LLC, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	VIRGIN ISLANDS,	DTR HOLDINGS, LLC	C CORP	0.	141,043,000.	100%
BVI ASSET HOLDINGS, LLC - 26-4752636 C/O CAH, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	DE	CARIBBEAN ASSET HOLDINGS, LLC	C CORP	0.	7,826,000.	100%
STM ASSET HOLDINGS, LLC - 26-4752724 C/O CAH, 20701 COOPERATIVE WAY DULLES, VA 20166	HOLDING COMPANY	DE	CARIBBEAN ASSET HOLDINGS, LLC	C CORP	0.	13,452,000.	100%

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

			Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.				
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a	X	
b	Gift, grant, or capital contribution to other organization(s)	1b		X
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d	X	
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n		X
o	Reimbursement paid to other organization for expenses	1o		X
p	Reimbursement paid by other organization for expenses	1p		X
q	Other transfer of cash or property to other organization(s)	1q	X	
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	CARIBBEAN ASSET HOLDINGS, LLC	A	2,461,573.	ACCRUAL
(2)	CARIBBEAN ASSET HOLDINGS, LLC	D	94,176,678.	NET VALUE
(3)	CARIBBEAN ASSET HOLDINGS, LLC	Q	165,624,888.	FAIR MARKET VALUE
(4)				
(5)				
(6)				

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).