

For: State and County Offices

AD-3030 Questions and Answers

Approved by: Acting Deputy Administrator, Farm Programs



1 Questions Received About Using AD-3030

A Background

Notice CM-716 provided guidance about using AD-3030.

Since issuing Notice CM-716, the National Office has received questions about AD-3030 usage and filing requirements.

B Purpose

This notice provides responses to questions received about using AD-3030.

C Questions and Answers

The following questions and answers are provided based on Notice CM-716 and AD-3030.

Q1. Procedure for using AD-3030 was originally issued in Notice CM-715, which had a disposal date of January 1, 2013. Will the provisions of Notice CM-715 still apply after this date?

A1. Notice CM-715 was reissued as Notice CM-716 with a disposal date of April 1, 2013.

Q2. Will the AD-3030 provisions continue with the Continuing Resolution?

A2. Yes. The restriction was continued by the Continuing Resolution. At this point; however, we do not know if the restriction will be included in future appropriations.

Disposal Date	Distribution
April 1, 2013	State Offices; State Offices relay to County Offices

Notice CM-719

1 Questions Received About Notice CM-716 and Using AD-3030 (Continued)

C Questions and Answers (Continued)

- Q3. AD-3030 has an expiration date of 12/31/12. Will FSA continue to use AD-3030 after the expiration date?**
- A3. Yes, FSA will continue to use AD-3030. The expiration date is based on OMB's emergency approval of AD-3030 and we will continue to use AD-3030 until further clarification is provided.
- Q4 Will handbooks be updated with additional information about using AD-3030?**
- A4. Currently there are no plans to amend handbooks with additional information about using AD-3030. If it appears that the restrictions will be in place for an extended period of time, we will make amendments to the handbooks.
- Q5. Does corporate applicant include all entities? For example, Trusts or LLC's.**
- A5. No. AD-3030 only needs to be completed by entities that file Articles of Incorporation. Neither trusts nor LLC's file Articles of Incorporation.
- Q6. Is a corporation that is embedded as a member of another corporation, who is not the program applicant, required to file AD-3030?**
- A6. No.
- Q7. For programs that are long-term contracts, i.e. CRP, would only one AD-3030 be executed at the time of approval of the CRP contract or would the corporation be required to file AD-3030 annually?**
- A7. Only one AD-3030 would be executed when entering into the contract.
- Q8. Does AD-3030 need to be filed for a succession-in-interest to a contract originally approved prior to issuance of Notice CM-716?**
- A8. Yes, if a corporation succeeded to a contract after issuance of Notice CM-716 (December 12, 2012), AD-3030 **must** be executed.
- Q9. When we notify the Appeals and Litigation Staff (ALS) of a "yes" response according to 1-APP, paragraph 28, will ALS update the "Fraud – Including FCI Fraud" determination in subsidiary?**
- A9. The subsidiary determination will be updated by the National Office.

Notice CM-719

1 Questions Received About Notice CM-716 and Using AD-3030 (Continued)

C Questions and Answers (Continued)

Q10. If a corporation requests a cost-share payment for a CRP contract that was approved prior to the issuance of Notice CM-716 (December 12, 2012), does the corporation need to execute AD-3030 before the FSA office issues the cost share payment?

A10. Yes, if the application for cost share was after December 12, 2012, the corporation will need to execute AD-3030 **before** FSA issues payment.

Q11. Why does the applicant/borrower have to execute AD-3030 for direct loan applications and the lender for guaranteed loan applications?

A11. The appropriations legislation prohibits funds made available by the Acts to be used to provide a loan or loan guarantee to any corporation seriously delinquent in its taxes, or any corporation or its officers who have been convicted of a felony in the past 2 years, either Federal or State. For guaranteed loans, it is the lender who is receiving the guarantee on the loan, and the funds the lender loans to the borrower are not federal funds.

Q12. How do we verify if the lender is a corporation?

A12. AD-3030 is a self-certification form. It is the responsibility of the lender to determine if AD-3030 needs to be completed and submitted. However, when a lender does not return AD-3030, it is advised that a business search of the Department of State web site, for the State in which the headquarters office is located, be done to further verify.

Q13. Who can sign AD-3030 for a large multi-State lender or banks owned by holding companies?

A13. This is up to the lender. Anyone signing FSA-2211 or FSA-2212 should have authorization to sign on behalf of the lender and; therefore, should have authorization to sign AD-3030.

Q14. Which lender signs if it is a participation loan or 1 of the many combinations of funding commercial lenders use?

A14. The lender receiving the guarantee would complete AD-3030.

Notice CM-719

1 Questions Received About Notice CM-716 and Using AD-3030 (Continued)

C Questions and Answers (Continued)

Q15. If a loan guarantee is sold, does the new owner need to sign AD-3030?

A15. No. AD-3030 is required to be completed and submitted by the corporate lender requesting the guarantee.

Q16. Why does AD-3030 have to be completed with each loan request or issuance of FSA-2232?

A16. The felony conviction portion of the restriction is time sensitive and requires the lender to certify to the past 24 months **before** receiving a loan guarantee.

Q17. Do we need to send out AD-3030 with every conditional commitment when FSA has documentation the lender is not a corporation?

A17. After it is determined the lender is not a corporation, it is **not** necessary to send a copy of AD-3030 with FSA-2232.

Q18. Is a Farm Credit Association considered a corporation?

A18. Farm Credit Administration Office of General Counsel has indicated that the Associations are cooperative corporations and have Subtitle T Articles of Incorporation. It was also stated that some Associations file their Articles and some do not. If the Association has filed their Articles of Incorporation with the Department of State where their headquarters office is located, they will need to complete the AD-3030.

Q19. What is meant by "acting on behalf of" as stated in question 4B on AD-3030?

A19. If the action of the official or agent resulted in a benefit to the corporation, then the official or agent was "acting on behalf" of the corporation. If the action of the official or agent resulted in a benefit to the official or agent, then the official or agent was not acting on behalf of the corporation.