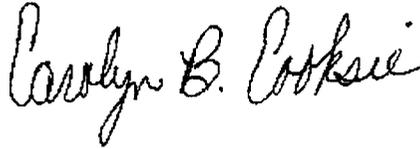


**For:** State and County Offices

**Continuous AD-1026 Certification Update**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Overview**

**A  
Background**

According to FmHA Instruction 1940-G, Exhibit M, AD-1026 is required for each crop year if highly erodible land, wetland, or converted wetland is present.

A new AD-1026 is required for a complete:

- FLP loan application according to the following FmHA Instructions:
  - 1940-G, Exhibit M
  - 1910-A
  - 1980-B
- loan servicing application according to FmHA Instruction 1951-S, if AD-1026 in the file does not reflect all of the land owned or leased by the borrower.

**B  
Purpose**

This notice:

- includes both direct and guaranteed loan applications
- informs offices about:
  - a change in submitting and filing:
    - AD-1026
    - AD-1026U
    - NRCS-CPA-026E
- what action needs to be taken when reviewing FSA producer files.

**Disposal Date**

March 1, 1999

**Distribution**

State Offices; State Offices relay to County Offices

Notice FC-168

**2 Changes in Submitting and Filing AD-1026, AD-1026U, and NRCS-CPA-026E**

---

**A  
Requirement  
Change for  
AD-1026 and  
AD-1026U**

AD-1026 and AD-1026U were revised as of April 17, 1996, to serve as a continuous certification and agreement for subsequent crop years. A new AD-1026 or AD-1026U is no longer required for a complete application, unless AD-1026 or AD-1026U in the producer file is not a continuous form or changes have occurred in the operation since the prior year's AD-1026 or AD-1026U.

This change applies to guaranteed loan applications as well as direct loan applications and servicing applications. Lenders originating guaranteed loans should be advised of this change.

---

**B  
Additional  
Changes**

Copies of NRCS-CPA-026E and AD-1026 are no longer required to be placed in the borrowers' case files when these forms are available in the FSA producer files.

---

**3 Action**

---

**A  
County Office  
Action**

When reviewing FSA producer files, County Offices shall:

- check the producer files to determine whether the forms are continuous and up to date, according to this notice

**Note:** If the forms are not continuous and up to date, notify the borrower, or lender for guaranteed loans, that the application is not complete until AD-1026 is updated.

- annotate in the running record that the FSA producer files were used to check the forms
  - document on environmental assessments that the FSA producer files were used.
- 

Continued on the next page

**Notice FC-168**

**3 Action (Continued)**

---

**B  
State Office  
Action**

State Offices shall check on the accessibility of the FSA producer files for the personnel servicing FLP case files before using them on a Statewide basis.

---

**C  
Contact**

If there are questions about this notice:

- County Offices shall contact the State Office
  - State Offices shall contact LMD.
-