

Farm Credit Administration

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INFORMATIONAL MEMORANDUM



January 25, 2013

To: Chairman, Board of Directors
Chief Executive Officer
All Farm Credit System Institutions

From: Gary K. Van Meter, Director
Office of Regulatory Policy

A handwritten signature in blue ink that reads 'Gary K. Van Meter'. The signature is written in a cursive style and is positioned to the right of the typed name.

Subject: Compliance with the Consolidated and Further Continuing Appropriations Act, 2012

Sections 738 and 739 of the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. No. 112-55),¹ prohibit Federal agencies from using funds made available by Pub. L. No. 112-55 for entering certain agreements with, making grants, or providing loans or loan guarantees to, any “corporation” that has 1) been convicted (or had an officer or agent acting on behalf of the corporation convicted) of a felony crime within 24 months of seeking Federal funds, or 2) certain unpaid Federal tax liabilities, respectively.

The Pub. L. No. 112-55 legislation provides no definition of which corporations are subject to the section 738 and 739 prohibitions. The Farm Credit System (System) is a Government-sponsored enterprise (GSE) that includes cooperative structured lending institutions that are corporate bodies and Federal instrumentalities chartered by the FCA.² Although the System is a GSE of cooperative lending entities, we do not believe this prevents a System institution from being considered a “corporation” for purposes of Pub. L. No. 112-55.

If you have questions, please contact Gary K. Van Meter, Director, Office of Regulatory Policy, at (703) 883-4026 (vanmeterg@fca.gov).

¹ Pub. L. No. 112-55, 125 STAT. 552 (HR 2112, signed November 18, 2011).

² See, for example, sections 1.5, 2.0(b)(7), 2.2, 2.10(b)(4), 2.12, 3.1, and 4.9 of the Farm Credit Act of 1971, as amended.