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October 5, 2023

The Honorable Sherrod Brown
United States Senate
Washington, D.C. 20510

The Honorable Joni Ernst
United States Senate
Washington, D.C. 20510

Re: Support for the Modernizing Agricultural and Manufacturing Bonds Act

Dear Senators Brown and Ernst:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to thank you for introducing S. 2723, the *Modernizing Agricultural and Manufacturing Bonds Act*. S. 2723 would modify the private activity bond rules with respect to small issue bonds for manufacturing and the financing of land and equipment by first-time farmers (known as “Aggie Bonds”) for the first time in nearly 40 years. Among other provisions, the bill would:

- Raise the threshold amount which can be used for land and equipment acquisition by a first-time farmer from \$450,000 to \$1,000,000 and index that amount to inflation.
- Expand the types of manufacturing facilities that qualify for qualified small issue bonds.
- Increase the maximum bond size limitation for manufacturing to \$30 million.

Together these provisions will create lower interest rates to support job creation in the critical industries of manufacturing and agriculture. Helping first-time farmers obtain affordable financing will promote competition in agriculture and help deter consolidation. Community banks help facilitate Aggie Bonds by intermediating between the borrower and state governments with authority to issue qualified bonds. Community banks perform the application process to ensure the borrower qualifies, collect loan payments, and assume credit risk.

Thank you for introducing S. 2723. We look forward to working with you to advance the bill.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

The Nation’s Voice for Community Banks.®

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