

June 5, 2023

United States House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of the Independent Community Bankers of America (ICBA), the undersigned state banking associations, and the thousands of community banks we represent, we write to urge your cosponsorship of the Access to Credit for our Rural Economy (ACRE) Act (H.R. 3139), bipartisan legislation sponsored by Reps. Randy Feenstra and Wiley Nickel which will promote access to credit and reduce borrowing costs for rural citizens.

Agricultural production and the prosperity of farmers are critical to rural economies where thousands of jobs are connected to the farm sector. The ACRE Act would allow lenders to help farmers remain viable in an often-challenging environment by providing that when a bank lends to a farmer or rancher and the loan is secured by agricultural real estate, interest received on the loan is not taxable.

Similarly, interest on a bank loan secured by a single-family home would not be taxable, provided the home is located in a rural community with a population of 2,500 or less. Second homes would not be eligible, nor would mortgages with a principal value of \$750,000 or more. Rural housing markets are especially challenging for lenders because the mortgages are often not eligible for resale in the secondary market, Fannie Mae or Freddie Mac, and must be held in portfolio.

The provisions of ACRE would give lenders more flexibility to work with small farmers and ranchers, including those who are young or beginning, as well as rural homeowners by providing them lower interest rates and better lending terms, while giving lenders necessary tools to serve the rural farming and housing markets.

Thank you for your consideration.

Sincerely,

Independent Community Bankers of
America

Arizona Bankers Association

California Community Banking
Network

Connecticut Bankers Association

Community Bankers Association of
Georgia

Community Bankers Association of
Illinois

Community Bankers of Iowa

Bluegrass Community Bankers
Association

Maine Bankers Association

Alabama Bankers Association

Arkansas Community Bankers

Independent Community Bankers of
Colorado

Florida Bankers Association

Idaho Bankers Association

Indiana Bankers Association

Community Bankers Association of
Kansas

Louisiana Bankers Association

Maryland Bankers Association

Massachusetts Bankers Association, Inc.	Community Bankers of Michigan
BankIn Minnesota	Mississippi Bankers Association
Missouri Independent Bankers Association	Montana Independent Bankers
Nebraska Independent Community Bankers	New Hampshire Bankers Association
New Jersey Bankers Association	Independent Community Bankers Association of New Mexico
Independent Bankers Association of New York State	North Carolina Bankers Association
Independent Community Banks of North Dakota	Community Bankers Association of Ohio
Community Bankers Association of Oklahoma	Oregon Bankers Association
Pennsylvania Association of Community Bankers	Independent Banks of South Carolina
Independent Community Bankers of South Dakota	Tennessee Bankers Association
Independent Bankers Association of Texas	Vermont Bankers Association
Virginia Association of Community Banks	Community Bankers of Washington
Community Bankers of West Virginia	Wisconsin Bankers Association
Wyoming Bankers Association	