



May 10, 2024

ACRE Act Essential to the Prosperity of Rural Communities

The Independent Community Bankers of America, representing community banks across the nation with nearly 50,000 locations, appreciates the opportunity to provide this statement for the record for today's hearing in Scottsdale, Arizona: "Empowering Native American and Rural Communities."

Among the topics to be discussed today is rural health care and pro-growth tax policies. ICBA urges this committee's consideration of the Access to Credit for our Rural Economy (ACRE) Act (H.R. 3139), bipartisan legislation sponsored by Reps. Randy Feenstra and Wiley Nickel, as a critical component of the solution to these challenges. ACRE, with 63 bipartisan cosponsors to date, will promote the availability of affordable homes in rural Native American and other communities for health care workers and other essential workers.

ACRE provides that interest on single-family mortgages in communities of less than 2,500 in population is exempt from taxation, provided the home is a principal residence and the principal value of the loan (together with all other loans secured by the home) does not exceed \$750,000. This interest exclusion will allow community banks to offer lower interest rates on rural homes, providing critical relief at a time of historically high interest rates.

In addition, ACRE provides that interest earned on loans secured by agricultural land is exempt from taxation. Many rural economies are centered on agriculture, and loan interest rate relief provided by the ACRE Act is a pro-growth tax policy. We urge the Ways and Means Committee to ensure ACRE is included in future tax reform or tax extension legislation to help ensure the prosperity it would promote in rural America.

Thank you for convening today's hearing. We appreciate this committee's focus on health care and economic growth in Native American and Rural Communities.