

April 10, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Richard Shelby
Chairman, Senate Appropriations Committee
United States Senate
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member, Senate Appropriations
Committee
United States Senate
Washington, DC 20510

The Honorable Pat Roberts
Chairman, Senate Agriculture Committee
United States Senate
Washington, DC 20510

The Honorable Debbie Stabenow
Ranking Member, Senate Agriculture
Committee
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Chairwoman, House Appropriations Committee
United States House of Representatives
Washington, DC 20515

The Honorable Kay Granger
Ranking Member, House Appropriations
Committee
United States House of Representatives
Washington, DC 20515

The Honorable Collin Peterson
Chairman, House Agriculture Committee
United States House of Representatives
Washington, DC 20515

The Honorable K. Michael Conaway
Ranking Member, House Agriculture
Committee
United States House of Representatives
Washington, DC 20515

Dear Congressional Leaders:

On behalf of our country's farmers and lenders who serve them, we write to urge to include additional support and flexibilities for farm loans in the CARES 2 legislation, a bill we urge you to develop and pass with utmost urgency.

Access to capital and other forms of disaster assistance are of the of utmost importance during this time of unprecedented uncertainty. As farmers and other small businesses have seen direct impacts on the health and safety of their workforce and ability to get their products to market, private and public lenders play an essential role in keeping these business stable during the ebbs and flows of this crisis.

We thank you for providing some initial relief in the first CARES Act, while also recognizing that more needs to be done to ensure our nation's farmers are able to stay in business and continue to provide for our country in this time of crisis.

We urge you to prioritize the following changes to FSA loan programs in CARES 2 in order to provide immediate relief to our nation's farmers:

- Suspend term limits for the FSA direct operating loan program for 2020 and 2021. Term limits are impeding access to operating loans for many hard-pressed and limited resource producers.
- Ensure wider access to guaranteed loans by providing funds to allow FSA to reimburse guaranteed borrowers for the cost of the guarantee fee for 2020 and 2021.
- Provide an additional \$500 million (program level) for non-targeted direct farm ownership funding to allow the agency to meet current and expected demand for the balance of this fiscal year.
- Make COVID-19 an eligible disaster under the FSA disaster set-aside program and provide authority for a second annual payment exemption to help farm borrowers weather this crisis.
- Expand credit access by increasing the Down Payment program loan limit to \$600,000, consistent with the change made in the 2018 Farm Bill for all other direct farm ownership loans.
- Provide \$2 million in additional FY 20 funding for the program loan cost expense fund to allow FSA to continue to pay for appraisals and inspections for the higher than expected loan volume and ensure at least \$13 million total in that account for FY 21.
- Commend FSA for suspending all new internal loan accelerations and foreclosures indefinitely and ensure that the suspension is in place for at least all of 2020.

Finally, we recognize the extra workload and need for additional staffing at FSA's loan making and servicing divisions during this crisis, and we urge you to provide sufficient FY 21 funding to allow the agency to help farmers dig out from what will be an incredibly difficult year.

Thank you for your continued support for our nation's farmers and ranchers during this time of crisis.

Sincerely,

National Rural Lenders Association
American Bankers Association
Independent Community Bankers of America
AgCredit, ACA
American Farm Mortgage and Financial Services
National Sustainable Agriculture Coalition
National Association of Credit Specialists - FSA

