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July 20, 2023

The Honorable Jerry Moran
United States Senate
Washington, D.C. 20510

The Honorable Angus King
United States Senate
Washington, D.C. 20510

Dear Senators Moran and King:

On behalf of community banks across the country, with nearly 50,000 locations, I write to express our strong support for the Access to Credit for our Rural Economy (ACRE) Act (S. 2371), bipartisan legislation 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. The bill would provide 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 which is the principal residence of the borrower is not taxable, provided the home is located in a rural community with a population of 2,500 or less and the principal value of the loan is \$750,000 or less.

These provisions would give lenders more flexibility to work with farmers, ranchers, and 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 introducing S. 2371. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: Members of the Senate Committee on Finance
Members of the Senate Committee on Agriculture

The Nation's Voice for Community Banks.®

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