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December 3<sup>rd</sup>, 2020

The Honorable John Hoeven  
Chairman  
Senate Appropriations Subcommittee  
Agriculture Appropriations  
FDA & Related Agencies  
Washington, DC, 20510

The Honorable Sanford Bishop  
Chairman  
House Appropriations Subcommittee  
Agriculture, Rural Development,  
FDA & Related Agencies  
Washington, DC, 20515

The Honorable Jeff Merkley  
Ranking Member  
Senate Appropriations Subcommittee  
Agriculture, Rural Development,  
FDA & Related Agencies  
Washington, DC, 20510

The Honorable Jeff Fortenberry  
Ranking Member  
House Appropriations Subcommittee  
Agriculture, Rural Development,  
FDA & Related Agencies  
Washington, DC, 20515

Dear Chairmen Hoeven and Bishop and Ranking Members Merkley and Fortenberry:

On behalf of the Independent Community Bankers of America (ICBA), representing over 52,000 bank locations across the United States, we write to express our appreciation for your ongoing bipartisan efforts to enact FY 2021 agricultural appropriations. However, we must also express our opposition to CoBank / Farm Credit System (FCS, System) efforts to expand their lending authorities once again via the appropriations process.

Specifically, we oppose including language allowing CoBank to expand their population limits for water and waste (WW) disposal facility loans (section 3.7(f) of the Farm Credit Act, or Act) from the current limit of 20,000 to a new 50,000 population limit or areas considered to be “rural in nature” by the Secretary of Agriculture – which would more than double the current limit.

There is no evidence of a lack of funding for WW facility loans particularly in more highly populated non-metro areas of the U.S., an important consideration since the System is a tax-privileged government sponsored enterprise (GSE) that competes against tax-paying community banks. Although the amendment would be a temporary allowance through FY 2021, permitting FCS to annually add legislative provisions to funding bills undermines the purpose of the appropriations process and obscures transparency and the opportunity for input by taxpayers who ultimately stand behind all GSEs. The amendment also incentivizes FCS to abandon rural remote communities in favor of more densely populated urban and suburban towns and cities.

*The Nation's Voice for Community Banks.®*

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Again, we oppose any expansion of the FCS, a tax privileged GSE, and their institutions such as CoBank. We also oppose annually adopting legislative proposals within appropriations measures on behalf of the FCS as we believe such policy issues can and should be dealt with within the congressional Agriculture committees. Thank you for your attention to our request.

Sincerely,

*/ Signed /*

Mark Scanlan  
Sr. V.P., Agriculture and Rural Finance

cc: House and Senate Appropriations Committees

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