

March 5, 2025

United States Senate
Washington, D.C. 20510

Dear Senator:

On behalf of the Independent Community Bankers of America (ICBA) and community banks with nearly 50,000 locations across the country, the undersigned state banking associations write to urge you to sponsor the *Access to Credit for our Rural Economy Act* (ACRE), S.838. ACRE is bipartisan legislation sponsored by Senators Jerry Moran and Angus King which will promote access to credit and lower borrowing costs for farmers, ranchers and rural home buyers. We also ask that you support including the ACRE Act into the upcoming tax bill.

Agricultural production and the prosperity of farmers and ranchers are critical to rural economies where millions of jobs are connected to the farm sector. ACRE would allow lenders to help farmers remain viable in an often-challenging environment by providing lenders a tax exemption on interest income when a bank lends to a farmer or rancher and the loan is secured by agricultural real estate.

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 with lower interest rates and better lending terms. ACRE will give lenders the 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

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

Bluegrass Community Bankers Association	Louisiana Bankers Association
Maine 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	