

Access to Credit for our Rural Economy (ACRE) Act

Ed Elfmann | eelfmann@aba.com | 202-663-5018

Anthony Pardal | apardal@aba.com | 239-410-6048

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Issue Update

The Access to Credit for our Rural Economy Act, also known as ACRE, will help sustain and grow rural America by lowering the cost of credit for farmers and ranchers financing agricultural real estate, as well as rural homeowners seeking credit for housing in small rural communities of 2,500 or less.

ACRE will:

- Lower the cost of credit for farmer and ranchers
- Enhance competition for agricultural and rural housing credit
- Help sustain access to local credit in rural America

ACRE removes the taxation on interest income earned by a lender on farm real estate loans and home mortgage loans in rural areas and towns of less than 2,500. By removing this taxation, community banks would finally be able to match the pricing of lenders that already benefit from this tax treatment for rural loans. This will lower interest rates, thereby expanding access to low-cost sources of credit in rural communities. It is estimated ACRE could save rural communities \$1.15 billion in interest savings annually. ACRE offers a simple solution to help farmers and ranchers and rural homeowners without creating new government payments or programs.

Why It Matters

Inflation and supply chain disruptions are driving up the cost of running America's farms and ranches, which in turn forces farmers to rely more heavily on credit. At the same time, rising interest rates are squeezing profitability for farmers and putting homeownership out of reach for many rural Americans. Congress needs to do everything they can to help sustain and grow rural America by creating the most competitive interest rate environment possible for rural borrowers.

Recommended Action Items

Cosponsor ACRE. Helping sustain access to competitive low-cost credit for farmers, ranchers and rural homeowners is a bipartisan priority. As of 8/20/2024, the ACRE Act has 67 bipartisan cosponsors in the U.S. House of Representatives and 4 bipartisan cosponsors in the U.S. Senate.

Hold Hearings on ACRE. The House of Representatives Agriculture and Ways and Means Committees and the Senate Agriculture and Finance Committees have jurisdiction over this legislation. We urge these committees to hold hearings on the value of ACRE to farmers, ranchers, and rural homeowners across America.