

Access to Credit for our Rural Economy (ACRE) Act

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Issue Update

The Access to Credit for our Rural Economy Act (S. 838/H.R. 1822), also known as ACRE, will help sustain and grow rural America by lowering the cost of credit for rural America. The ACRE Act lowers the cost for financing agricultural real estate, rural homes in small rural communities of 2,500 or less, and for aquaculture producers, including fisheries.

ACRE will:

- Lower the cost of credit for farmers, ranchers and rural America
- 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 FDIC-insured institutions on new farm real estate loans and home mortgage loans throughout our country's 17,000 rural areas and towns. This will enable community banks to lower interest rates and expand access to low-cost sources of credit. It is estimated that ACRE will save rural communities up to \$1.18 billion in annual interest payments. ACRE offers a simple solution to help farmers and ranchers and rural homeowners without new government payments or programs.

Why It Matters

The lingering effects of high inflation and supply chain disruptions are driving up the costs of operating America's farms and ranches. At the same time, high interest rates are hampering profitability for farmers and putting homeownership out of reach for many rural Americans. By lowering costs for rural borrowers, ACRE will bolster agricultural producers and rural communities during this agricultural downturn.

Recommended Action Items

Cosponsor ACRE. The ACRE Act has strong bipartisan support in both the House and Senate, encourage Members of Congress to prioritize access to competitive low-cost credit for farmers, ranchers, and rural homeowners.

Include ACRE in Tax Reform. Urge Congress to include ACRE as part of ongoing tax discussions. ACRE is a simple solution to reduce the cost of credit for farmers, ranchers, and rural homeowners across America.