

April 17, 2025

Dear Member of Congress:

As Congress moves forward with the budget reconciliation process, we write to express our strong support for the inclusion of the bipartisan and bicameral Access to Credit for our Rural Economy (ACRE) Act of 2025 (S.838 and H.R. 1822), legislation that will help sustain and grow rural America by easing the financial burden on farmers, ranchers, and rural communities.

The ACRE Act was introduced in the Senate by Senators Jerry Moran (R-KS), Angus King (I-ME), Ruben Gallego (D-AZ), Kevin Cramer (R-ND), and Tommy Tuberville (R-AL). The House companion was introduced by Representatives Randy Feenstra (R-IA-04), Don Davis (D-NC-01), and Nathaniel Moran (R-TX-1).

Farmers and ranchers are working through an increasingly difficult economic cycle. According to the annual American Bankers Association [2024 Ag Lender Survey](#),¹ the combination of lower export demand for U.S. agricultural goods and the rebound of global inventories has put significant downward pressure on global commodity prices and U.S. farm incomes. According to United States Department of Agriculture (USDA) Economic Research Service, total inflation-adjusted cash receipts are forecast to fall \$14.2 billion (2.7 percent) from 2024 to \$515.0 billion in 2025. Crop cash receipts are projected to decline \$11.5 billion (4.6 percent) during the year, and animal/animal product cash receipts are expected to fall by \$2.8 billion (1.0 percent).² While net farm incomes are expected to rise in the short-term due to the Emergency Commodity Assistance Program (ECAP) and USDA disaster assistance payments, these measures will only temporarily offset the burden of high input prices, including interest rates, in the future.

The ACRE Act offers more long-term stability for farmers and ranchers by creating the most competitive interest rate environment possible on loans secured by farm real estate and aquaculture facilities. The legislation will also drive down the cost of homeownership in rural communities with a population of 2,500 or less by lowering interest rates on home mortgages in rural areas valued at \$750,000 or less. ABA estimates the ACRE Act will lower the cost of credit by 100-150 basis points. For a young producer financing farmland purchased at \$10,000 per acre, that would equal a sustained reduced yearly interest cost of \$100-\$150 an acre.

Over 30 million rural Americans stand to benefit from the ACRE Act. Approximately 45 percent of agricultural lenders already receive this tax treatment on agricultural loans and rural mortgages. By including FDIC-insured financial institutions, ACRE would increase competition in rural markets and help drive down borrowing costs for rural families, farmers, and ranchers. It

¹ <https://www.aba.com/news-research/analysis-guides/agricultural-lender-survey>

² <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast>

would also improve the accessibility of affordable credit, enabling borrowers to shop for the best product, rate, and service at more than 79,000 bank branch locations nationwide.

The ACRE Act is the solution to help lower the cost of credit and increase credit availability for rural America. Congress can help our country's farmers, ranchers, and rural communities continue to grow and thrive by ensuring they have access to the credit they need. We urge you to include the ACRE Act in the budget reconciliation and appreciate your consideration.

Sincerely,

American Bankers Association

Alabama Bankers Association

Alaska Bankers Association

Arizona Bankers Association

Arkansas Bankers Association

California Bankers Association

Colorado Bankers Association

Connecticut Bankers Association

DC Bankers Association

Delaware Bankers Association

Florida Bankers Association

Georgia Bankers Association

Hawaii Bankers Association

Idaho Bankers Association

Illinois Bankers Association

Indiana Bankers Association

Iowa Bankers Association

Kansas Bankers Association

Kentucky Bankers Association

Louisiana Bankers Association

Maine Bankers Association

Maryland Bankers Association

Massachusetts Bankers Association

Michigan Bankers Association

Minnesota Bankers Association

Mississippi Bankers Association

Missouri Bankers Association

Montana Bankers Association

Nebraska Bankers Association

Nevada Bankers Association

New Hampshire Bankers Association

New Jersey Bankers Association

New Mexico Bankers Association

New York Bankers Association

North Carolina Bankers Association

North Dakota Bankers Association

Ohio Bankers League

Oklahoma Bankers Association

Oregon Bankers Association

Pennsylvania Bankers Association

Puerto Rico Bankers Association

Rhode Island Bankers Association

South Carolina Bankers Association

South Dakota Bankers Association

Tennessee Bankers Association

Texas Bankers Association

Utah Bankers Association

Vermont Bankers Association

Virginia Bankers Association

Washington Bankers Association

West Virginia Bankers Association

Wisconsin Bankers Association

Wyoming Bankers Association