

March 4, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
United State House of Representatives
Washington, D.C. 20515

Dear Majority Leader Thune, Speaker Johnson, Minority Leader Schumer, and Minority Leader Jeffries:

The American Bankers Association and the undersigned state bankers associations collectively represent banks of all asset sizes that serve customers across the United States. We write to express our strong support for the bipartisan, bicameral Access to Credit for our Rural Economy (ACRE) Act of 2025 (S. 838 and H.R. 1822) which has been 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). This legislation will help sustain and grow rural America by making it easier for farmers, ranchers, and rural communities to access low-cost credit.

Farmers and ranchers are working through an increasingly difficult economic cycle as high interest rates continue to drive up input costs. The ACRE Act will ease that burden, creating the most competitive interest rate environment possible for rural borrowers by lowering interest rates on loans secured by farm real estate and aquaculture facilities. The legislation will also drive down the cost of homeownership in rural communities of no more than 2,500 by lowering interest rates on home mortgages in rural areas valued at \$750,000 or less. Farmers and ranchers in over 17,000 rural communities throughout the country stand to benefit from the ACRE Act.

Approximately 45% 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 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.

Last Congress, the ACRE Act enjoyed strong bipartisan support, garnering 68 cosponsors in the House and six in the Senate. While similar to the previous bill, this legislation includes several changes, including language to: ensure that the ACRE Act targets new loan originations; prevent foreign adversaries from utilizing it; add fisheries; and require a report by the Treasury Department to Congress that demonstrates how the ACRE Act results in changes to interest rates.

The ACRE Act is the right 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 ask for your support in moving the ACRE Act to passage in the 119th Congress.

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