



**Please Cosponsor
Access to Credit for our Rural Economy (ACRE) Act (H.R. 3139 and S. 2371)**

On behalf of the Community Bankers Association of Illinois (CBAI), the Illinois Farm Bureau (ILFB), the Illinois Corn Growers Association (ICGA), the Illinois Soybean Growers (ISG), and the Grain and Feed Association of Illinois (GFAI), we write to urge you to cosponsor the Access to Credit for our Rural Economy (ACRE) Act (H.R. 3139 and S. 2371). This bipartisan and bicameral legislation will promote access to credit and reduce borrowing costs for rural citizens. The ACRE Act in the U.S. House has over 55 cosponsors including Illinois Representatives Darin LaHood (R-16th), Mike Bost (R-12th), Niki Budzinski (D-13th), and Mary Miller (R-15th).

Agricultural production and the prosperity of farmers are critical to rural economies where thousands of jobs are connected to the farm sector. The ACRE Act would allow lenders to help farmers remain viable in an often-challenging environment by providing that when a bank lends to a farmer and the loan is secured by agricultural real estate, interest received on the loan is not taxable. This benefit is particularly important given higher interest rates, inflation and an anticipated decrease in net farm income.

Similarly, interest on a bank loan secured by a single-family home would not be taxable, provided the home is 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 and their borrowers 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, including those who are young or beginning, as well as rural homeowners by providing them lower interest rates and better lending terms, while giving lenders necessary tools to serve the rural farming and housing markets.

Community banks make 80% of agricultural loans which is why this bill is a high priority for the Community Bankers Association of Illinois. This legislation is also a priority for the ILFB, ICGA, ISG and GFAI because it will benefit virtually every one of their members and their communities.

Thank you for considering cosponsoring this important bipartisan and bicameral legislation.