

May 1, 2020

The Honorable Charles Grassley
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Richard Neal
Chairman
Ways and Means Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
Ways and Means Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Grassley, Ranking Member Wyden, Chairman Neal and Ranking Member Brady:

On behalf of the members of the American Bankers Association (ABA) and State Banker Associations, representing banks of all sizes in every state, we write to express our strong support for H.R. 1872/S. 1641, the Enhancing Credit Opportunities in Rural America Act (ECORA) of 2019 and urge you to include this measure as part of any COVID-19 Phase IV package.

ECORA has one purpose – to assist agricultural borrowers. As Congress considers measures to assist our country’s small businesses and consumers impacted by COVID-19, we ask that America’s farmers and ranchers remain a top priority. ECORA will lower the cost of credit for farmers and ranchers by removing the taxation on income from farm real estate loans made by agricultural banks across America. By removing this taxation, farmers and ranchers will be able to utilize their most important asset (agricultural land) to achieve the lowest possible financing costs for their farm and ranch operations.

We applaud Congress for the financial relief contained in the CARES Act, but we also recognize that COVID-19 is impacting every segment of the agricultural sector. Without additional relief, many agriculture producers will be exposed to further drops in commodity prices due to this pandemic’s negative impact on food processing and dramatic negative shifts in product demand. Both of these factors are completely beyond farmers’ and ranchers’ control.

Depressed commodity prices have many agricultural producers completely dependent upon low-cost credit to keep their operations afloat. According to the United States Department of Agriculture, net farm income is expected to decrease by \$10.9 billion, a decrease of 9% when compared to the 2019 forecast. With the outbreak of COVID-19, a further decrease in net farm income has become a stark reality. Simply put, Congress needs to do everything possible to help farmers and ranchers survive with less income. ECORA will immediately provide a pathway to increasing income for farmers and ranchers nationwide by lowering their cost to obtain agricultural credit.

The availability of low-cost credit is vitally important to American agriculture. Congress is strategically positioned to help our country's farmers and ranchers at this critical moment in our nation's history. ECORA could reduce the average interest rate on a farm and ranch real estate loan by 1 to 1.5%. This legislation offers a straightforward solution to help farmers and ranchers during this time of lower farm incomes without creating new government payments or programs.

The agriculture community has worked tirelessly to sustain a safe and sufficient food supply throughout this crisis, and they will continue to do so. We urge the House and Senate to support the vitally important role of America's farmers and ranchers during this crisis by making the ECORA proposal part of the COVID-19 Phase IV package.

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
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

cc: Members of the United States Senate
Members of the United States House of Representatives