August 5, 2026

The Honorable John Boozman
Chairman, Committee on
Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510

The Honorable Amy Klobuchar
Ranking Member, Committee on
Agriculture, Nutrition, and Forestry
United States Senate
Washington, D.C. 20510

Dear Chairman Boozman and Ranking Member Klobuchar:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write regarding the Senate farm bill, *the Agricultural Act of 2026.* Community banks provide about 80 percent of private-sector bank loans to farmers and ranchers.

A strong farm bill supports producers and the community banks that finance them by ensuring agricultural producers have the tools they need for long-term planning purposes. We appreciate the very hard work that both members and staff have invested in moving a new farm bill towards final adoption.

We strongly support the improvements to USDA guaranteed farm loan programs. Raising loan limits will allow family farmers and ranchers to obtain sufficient credit from lenders with a USDA guarantee, particularly important in times of economic stress producers are now experiencing. Providing prompt approval of USDA guaranteed loan applications will ensure funds can be provided to producers on a timely basis. The bill contains several other beneficial enhancements to USDA programs for producers.

However, the bill needs sufficient guardrails and transparency related to the FCS expansions authorities which are exclusively aimed at broad, non-farm financing. Senators should closely examine these expansions to prevent harmful, unintended consequences including the FCS utilizing its tax and funding advantages as a *government sponsored enterprise* (GSE) to crowd out tax-paying community banks from markets they already serve well. Further, the FCS should not be allowed to provide greater total financing for non-agricultural purposes than for agricultural purposes. Finally, we oppose expanding FCS housing authorities.

We will continue to share our specific recommendations as the bill moves forward. Thank you for your consideration.

Sincerely,
/s/
Rebeca Romero Rainey
President & CEO

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