



April 18, 2018

The Honorable Mike Conaway
Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

Dear Chairman Conaway:

On behalf of the American Bankers Association (ABA), the Independent Community Bankers of America (ICBA), and the National Rural Lenders Association (NRLA), we would like to thank you for your tremendous work and leadership in successfully bringing the 2018 Farm Bill forward for consideration. We also appreciate the hard work of committee members and staff in pursuing the writing of this vital legislation.

We are national trade associations representing thousands of private lending institutions nationwide that utilize United States Department of Agriculture (USDA) guaranteed lending programs to support rural infrastructure and economic development. We believe that strengthening the public-private partnership in the execution of USDA lending programs is needed to ensure that rural communities continue to receive the financing they need from the institutions they know and trust and to also help ensure that the loans themselves are properly managed and serviced from lenders who have the experience and expertise in providing needed capital to our nation's rural communities. We thank you for including in this bill language that will serve to strengthen the availability of needed credit in our nation's rural communities resulting in stronger rural economies.

In particular, we strongly support the provision in this legislation that will permit USDA Rural Development guaranteed lending programs to serve every rural community in this nation of 50,000 or less in population. Currently, several USDA Rural Development lending programs limit access to rural communities differently thereby providing needless confusion and discrepancy in eligibility for both lenders and those seeking needed financing. Through this change, needed consistency and clarity is provided while expanding the availability of credit to rural communities in need.

Additionally, we recognize the importance of providing language in this bill to allow insured or guaranteed loans issued or modified under section 306(a), such as the Community Facilities Guaranteed Lending Program, to charge and collect fees from the

recipient of the loans in such amounts as are necessary so that the sum of the total amount of fees collected and the total of the amounts appropriated for all such loans for the fiscal year equals the subsidy cost of the loans in the fiscal year. This will allow loans under section 306(a) to realize needed increases in budget authority that will result in an increase of access to credit for our nation's rural communities and serve to strengthen the partnership between USDA and private lenders.

On behalf of ABA, ICBA and NRLA we thank you again for your leadership in successfully bringing this vital legislation forward and we look forward to working with you and your committee on this bill and other issues vital to the continued success and development of rural America. Should you have any questions at all, please do not hesitate to contact Ed Elfmann at eelfmann@aba.com, Mark Scanlan at mark.scanlan@icba.org, or Stuart McCalman at stuart@capitolventures.us

Sincerely,

American Bankers Association

Independent Community Bankers of America

National Rural Lenders Association