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February 25, 2026

The Honorable Glenn “GT” Thompson
Chairman
House Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

The Honorable Angie Craig
Ranking Member
House Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Thompson and Ranking Member Craig and Members of the Committee:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write regarding our views on the new farm bill, *the Farm, Food, and National Security Act of 2026* (HR 7567).

Community banks provide approximately 80 percent of all loans extended by private sector banks to the nation’s farmers and ranchers. A new farm bill is important to ensuring farmers and ranchers and the community banks that serve them have a robust set of tools to ensure agriculture’s long-term viability. We support enhancements to USDA guaranteed loan programs but believe the expansions of the Farm Credit System’s (FCS) authorities to engage in broad non-farm financing activities need to be limited.

Strengthening the Farm Safety Net

ICBA supports passage of a new farm bill and appreciates enhancements to the commodities title and crop insurance programs that were adopted separately in the OBBBA. These programs will strengthen the farm safety net and provide producers with risk management tools to mitigate severe weather-related losses and help producers repay production loans.

USDA Guaranteed Loan Improvements

We strongly support increasing USDA guaranteed farm loan limits to \$3.5 million for agricultural real estate loans and \$3 million for farm operating loans, which better reflect modern agricultural financing realities. We also support prompt approval within five business days of guaranteed farm loans submitted by preferred and certified lenders to ensure producers receive timely access to credit.

Concerns Regarding Farm Credit System (FCS) Expansion Provisions

We remain deeply concerned that the current text provides overly expansive authorities to the Farm Credit System (FCS)—a government-sponsored enterprise that already enjoys significant tax and funding advantages over tax-paying community banks.

Essential Community Facility (ECF) Lending Expansion - The text allows FCS institutions to finance “essential community facilities” (ECFs) without prior approval from their regulator, allowing over \$60 billion in ECF loans, an amount that grows annually, hardly a real cap. ICBA appreciates that the bill requires FCS institutions to first reach out to community banks to participate in ECF loans. However, this requirement could easily be circumvented unless the financing offered to the applicant reflects a blended interest rate of all participants. Otherwise, borrowers can simply accept the FCS rate for the entire loan. ICBA also urges Congress to require more detailed annual reporting, including lenders participating and amount each lender financed.

FCS Ownership of Rural Business Investment Corporations (RBICs) – Currently, one or more FCS entities can own up to 50 percent of a RBIC which can engage in activities that are not otherwise eligible for FCS financing. The bill’s text increases FCS ownership in RBICs to reach **75 percent** without financing ineligible activities. The 75 percent threshold would allow FCS to control these RBICs. This cap was already expanded from 25 percent to 50 percent in the 2018 farm bill. These RBICs could expand without size limits, without limits on entity numbers, and without annual reports.

Loans to Businesses for Aquaculture-Related Purposes - The bill allows the FCS to lend to any business that serves aquaculture, but the language is drafted broadly and could allow financing for businesses only tangentially related to the aquaculture industry. This could open FCS lending to a “vast range” of unrelated businesses under the guise of serving aquaculture producers.

Potential Amendment - Expanding FCS Home Mortgage Lending to Towns of 10,000 – ICBA strongly opposes any amendment that would allow the FCS to expand its tax-free residential mortgage lending to towns of 10,000, a 300 percent increase above the current 2,500 population limit. About 76 percent of all cities and towns are under 5,000 population. 42 percent of these communities have less than 500 residents. There is no need to allow the FCS to use its tax advantaged status to force community banks out of the rural housing market, limiting access to credit for rural residents.

Conclusion

ICBA strongly supports passage of a farm bill that protects producers, strengthens rural communities, and ensures a fair, balanced agricultural credit system. Please feel free to contact Mark Scanlan (mark.scanlan@icba.org) to discuss these issues in more detail.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: House Agriculture Committee Members