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April 29, 2026

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives

The Honorable French Hill
Chairman
Committee on Financial Services

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services

The Honorable Glenn “GT” Thompson
Chairman
House Agriculture Committee

The Honorable Angie Craig
Ranking Member
House Agriculture Committee

Dear Speaker Johnson, Leader Jeffries, Chairmen Hill and Thompson, and Ranking Members Waters and Craig:

On behalf of ICBA and the nearly 45,000 community bank locations we represent, I write regarding the farm bill, *the Farm, Food, and National Security Act of 2026* (H.R. 7567). Community banks provide about 80% of private-sector bank loans to farmers and ranchers. A strong farm bill supports producers and the community banks that finance them by ensuring agriculture has the tools it needs for long-term success. We support improvements to USDA guaranteed loan programs, but the bill should limit expansions of Farm Credit System (FCS) authority that would allow broad, **non-farm** financing.

Strengthening the Farm Safety Net – ICBA supports passing a new farm bill and appreciates the recent updates to commodity programs and crop insurance in the OBBBA. These changes strengthen the farm safety net and give producers better tools to manage risk, including losses from severe weather. They also support producers’ ability to repay production loans.

USDA Guaranteed Loan Improvements -- We support raising USDA guaranteed loan limits to \$3.5 million for agricultural real estate loans and \$3 million for farm operating loans to reflect today’s financing needs. We also support requiring USDA to act on guaranteed farm loans from preferred and certified lenders within five business days so producers can access credit quickly.

Concerns About Farm Credit System (FCS) Expansion – We strongly oppose provisions that would give the Farm Credit System (FCS), a *government sponsored enterprise*, broad new unrestrained non-farm authorities that go far beyond the FCS’s statutory mission of serving agriculture. As a government-sponsored enterprise, FCS already has major tax and funding advantages over tax-paying community banks. Our strong concerns include:

Essential Community Facility (ECF) lending expansion — The bill 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. While the bill states FCS lenders must invite community banks to participate, that provision needs a mechanism to balance the nearly tax-free status of the FCS with the taxable status of community banks before an offer is presented to the customer. We also urge clearer annual reporting, including which lenders participated and how much each lender financed, which their regulator currently requires.

FCS ownership of Rural Business Investment Corporations (RBICs) — FCS entities may currently own up to 50 percent of a RBIC, which can invest in activities that FCS otherwise could not finance. The bill would raise that cap to 75 percent, even if the RBIC finances currently ineligible activities. Congress increased the cap from 25 percent to 50 percent in the 2018 farm bill. The bill also could allow RBICs to grow without clear limits on their numbers and size and with limited transparency.

New financing authority for electric, telecommunications, and wastewater — Section 5503 would let CoBank finance any cooperative and “other public or private entity” for activities related to wastewater, telecommunications, and electric power services. This expansion goes far beyond financing cooperatives and could allow CoBank – FCS’s national lender to cooperatives - to finance large corporations, including Fortune 500 companies, rather than focusing on cooperatives.

Loans to businesses for aquaculture-related purposes — This would allow FCS to lend to any business that serves aquaculture. The language is broad and could embrace businesses only loosely connected to aquaculture including big box stores and any other businesses only marginally providing a single product or minor service to the aquaculture industry.

Potential amendment to expand FCS home mortgage lending to towns of 10,000 — ICBA strongly opposes expanding FCS’s tax-free residential mortgage lending to towns of 10,000 residents (up from the current 2,500-person limit). This is not targeted at low-income populations. About 76 percent of cities and towns have fewer than 5,000 residents and 42 percent of those have fewer than 500 residents. There is no justification to let FCS use its tax advantages to displace community banks in rural housing finance and reduce access to credit for rural residents already well served by numerous other lenders.

ICBA supports a farm bill that protects producers, strengthens rural communities, and promotes a fair and balanced agricultural credit system. Rather than allowing these misguided expansions of a GSE seeking to sidestep their statutory mission, we believe rural America would benefit more by expanding the recently enacted ACRE provisions of the OBBBA. Please contact Mark Scanlan (mark.scanlan@icba.org) if you would like to discuss these issues.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: House Members