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September 12, 2016

The Honorable Mike Bost
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Bost:

On behalf of the more than 6,000 community banks represented by ICBA, I write to thank you for introducing H.R.5733 – The Beginning Farmer and Rancher Guaranteed Loan Modernization Act of 2016.

This important legislation would increase USDA guaranteed farm operating and guaranteed real estate loan limits from the current \$1.39 million level to \$2.5 million while maintaining the existing 90 percent guarantee against default. Additionally, the bill allows higher loan limits in \$100,000 dollar increments up to \$3.5 million while simultaneously stepping down the guarantee percentage in one percent increments. We believe that larger loan limits and greater funding is needed for USDA farm loan programs, particularly during these times of growing financial stress.

H.R. 5733 recognizes that agricultural land values have increased significantly in recent years and the current USDA guaranteed farm loan limits simply do not reflect the higher capital needs of today's modern farms. The higher loan limit levels reflected in your legislation represent a much more reasonable approach and will benefit family farmers and ranchers by allowing them to acquire sufficient financing to remain viable. Your legislation will also assist younger farmers and ranchers acquire land to start a farming operation with the productive capacity to augment a stronger financial position and lengthy farming or ranching career.

Again, we appreciate you introducing "The Beginning Farmer and Rancher Guaranteed Loan Modernization Act of 2016" and look forward to working with you as this legislation moves through Congress.

Sincerely,

/s/

Camden R. Fine
President & CEO

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