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March 25, 2021

The Honorable Ron Kind  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Randy Feenstra  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representatives Kind and Feenstra:

On behalf of community banks across the country, with more than 52,000 locations, I write to express our strong support for the Enhancing Credit Opportunities in Rural America Act of 2021 (the ECORA Act, H.R. 1977), which will promote access to credit and reduce borrowing costs for rural citizens.

Agricultural production and the prosperity of farmers are critical to rural economies where thousands of jobs are connected to the farm sector. The ECORA Act would allow lenders to help farmers remain viable in an often challenging environment. The bill would provide that when a bank lends to a farmer or rancher and the loan is secured by agricultural real estate, interest received on the loan is not taxable. Similarly, interest on a bank loan secured by a single-family home which is the principal residence of the borrower is not taxable, provided the home is located in a rural area or community, as defined by the Secretary of Agriculture, which is not in a Metropolitan Statistical Area and has a population of 2,500 or less.

These provisions would give lenders more flexibility to work with farmers, ranchers, and rural homeowners by providing them lower interest rates and better lending terms, while giving lenders necessary tools to serve the rural farming and housing markets.

Thank you for introducing the ECORA Act of 2021. We look forward to working with you to advance this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Members of the House Committee on Ways and Means  
Members of the House Committee on Agriculture

*The Nation's Voice for Community Banks.®*

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