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July 7th, 2020

The Honorable Pete Visclosky
Chairman, Subcommittee on Defense
House Committee on Appropriations
Washington, DC 20510

The Honorable Ken Calvert
Ranking Member, Subcommittee on Defense
House Committee on Appropriations
Washington, DC 20510

Dear Chairman Visclosky and Ranking Member Calvert:

On behalf of the Independent Community Bankers of America (ICBA) and the approximately 52,000 community bank locations across the nation we represent, we write to urge you to ensure the subcommittee's markup of the fiscal year 2021 Defense Appropriations bill does not include any expansion of the Farm Credit System (FCS). We oppose any proposal or amendment if an effort is made to include such language in the subcommittee's bill.

Such legislation would not be germane to the subcommittee's jurisdiction and would be an authorization of expanded authority on an appropriations bill. This type of legislative proposal would be more appropriately deliberated within the congressional agriculture committees.

The FCS is a government sponsored enterprise (GSE) with tax and funding advantages not afforded to private sector community banks. Their mission is to provide loans to American agriculture (i.e. *bona fide* farmers and ranchers), certain on-farm businesses and specific types of rural development loans within the bounds of carefully targeted and limited remote populations.

With over \$387 billion in total assets, the FCS would be ranked as one of the 10 largest banks in the U.S. if labeled as a bank. Given the FCS's propensity to cherry pick the best loans from community banks' lending portfolios and their desire in recent years to move **away from farm lending**, it is not appropriate to further expand the farm-related mission of this GSE into non-farm lending and into more densely populated areas. Thank you for consideration of our views.

Sincerely

/S/

Mark Scanlan
Sr. Vice President, Agriculture and Rural Policy

Cc: Defense Subcommittee Members
Chairwoman and Ranking Member of the House Committee on Appropriations

The Nation's Voice for Community Banks.®

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