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October 26, 2016

The Honorable Lynn Jenkins
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Jenkins:

On behalf of the nearly 6,000 community banks represented by Independent Community Bankers of America (ICBA), I write to express our strong support for the Enhancing Credit Opportunities in Rural America Act of 2016 (the ECORA Act, H.R. 6260), which will promote access to credit and reduce borrowing costs for rural borrowers.

Agricultural production and the prosperity of farmers is critical to rural economies. However, low commodities prices pose a serious threat to agriculture and the thousands of jobs connected to the sector. H.R. 6260 would allow lenders to help farmers remain viable in this 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 bill. 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.

Thank you again for introducing H.R. 6260. ICBA looks forward to working with you to advance this important legislation.

Sincerely,

/s/

Camden R. Fine
President & CEO

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