

May 26, 2020

The Honorable Richard Shelby  
Chairman, Senate Appropriations Committee  
United States Senate  
Washington, DC 20510

The Honorable Patrick Leahy  
Ranking Member, Senate Appropriations Committee  
United States Senate  
Washington, DC 20510

The Honorable John Hoeven  
Chairman, Senate Agriculture Appropriations  
Subcommittee  
United States Senate  
Washington, DC 20510

The Honorable Jeff Merkley  
Ranking Member, Senate Agriculture Appropriations  
Subcommittee  
United States Senate  
Washington, DC 20510

Dear Senators:

On behalf of our country's farmers and lenders who serve them, we write to urge to include additional support and flexibilities for farm loans in the next emergency bill to deal with the ongoing health and economic crisis.

Access to capital and other forms of disaster assistance are of the utmost importance during this time of unprecedented uncertainty. As farmers and other small businesses have seen direct impacts on the health and safety of their workforce and ability to get their products to market, private and public lenders play an essential role in keeping these business stable during the ebbs and flows of this crisis.

We thank you for providing some initial relief in the first CARES Act, while also recognizing that more needs to be done to ensure our nation's farmers and ranchers are able to stay in business and continue to provide for our country in this time of crisis.

We commend FSA for already taking steps to suspend loan accelerations and foreclosures indefinitely and to make the direct financial impact from the pandemic an eligible disaster under the FSA Disaster Set-Aside (DSA) program with expanded flexibilities included. We recommend that language be added to the next bill to ensure that the acceleration and foreclosure suspension does not end prematurely or without congressional notification and explore what additional measures might be needed.

In addition, we urge you to prioritize the following changes to FSA loan programs in your next bill in order to provide immediate relief to our nation's farmers:

- Suspend term limits for the FSA direct operating loan program for 2020 and 2021. Term limits are impeding access to operating loans for many hard-pressed and limited resource producers.
- Ensure wider access to guaranteed loans by providing funds to allow FSA to reimburse guaranteed borrowers for the cost of the guarantee fee for 2020 and 2021.
- Provide an additional \$500 million (program level) for non-targeted direct farm ownership funding to allow the agency to meet current and expected demand for the balance of this fiscal year.

- Expand credit access by increasing the Down Payment program loan limit to \$600,000, consistent with the change made in the 2018 Farm Bill for all other direct farm ownership loans.
- Provide \$2 million in additional FY 20 funding for the program loan cost expense fund to allow FSA to continue to pay for appraisals and inspections for the higher than expected loan volume and ensure at least \$13 million total in that account for FY 21.

Finally, we recognize the extra workload and need for additional staffing at FSA's loan making and servicing divisions during this crisis, and we urge you to provide \$16 million in additional funding to allow the agency to hire additional loan staff in advance of retirements we know are coming.

Thank you for your continued support for our nation's farmers and ranchers during this time of crisis.

Sincerely,

