

United States Senate
Washington, DC 20510

United States House of Representatives
Washington, DC 20515

August 29th, 2023

Re: Fair Credit for Farmers Act

Dear Senators and Representatives:

The undersigned 101 farmer and rural community advocacy organizations wholeheartedly endorse the Fair Credit for Farmers Act (S.2668/H.R.5296), introduced by Senator Gillibrand and Representative Adams, and urge you to co-sponsor this critical bill and support its inclusion in the 2023 Farm Bill.

The past five years have posed unprecedented challenges for family-scale producers navigating market disruptions, environmental disasters, and other crises. Most farmers rely on agricultural credit both to adapt to unforeseen challenges, and as a critical seasonal financial service to plant crops, invest in sustainable practices, develop new markets, and diversify and scale their operations. But not all farmers have equal access to this important financial tool, undercutting their competitiveness. For those farmers who can reliably access credit, chronically low farm prices contribute to unsustainable levels of farm debt, leading to foreclosure and loss of rural homes. With U.S. farm debt reaching historic levels, exceeding \$500 billion in 2022, ensuring that credit provided by the USDA's Farm Service Agency (FSA) is supporting farmers fairly and equally is critical for strengthening our food system and rural communities. Congress must take action in the 2023 Farm Bill to ensure basic borrower protections for farmers, that farmer loan terms are flexible and equitable, and that there is strong institutional oversight of FSA lending practices to prevent discrimination.

To advance these goals in FSA agricultural lending, the Fair Credit for Farmers Act would:

- **Limit over-collateralization on farm loans and protect farmers' homes** by stipulating a maximum of 100% collateralization for FSA loans, with homes only allowed as the last option for collateral. This Act also ensures that farmers can remove their homes from the loan security once they have paid down enough of the loan, and adds protections for farmers in delinquency against FSA taking all of their assets as collateral.
- **Eliminate FSA loan eligibility term limits** for farmers who cannot access favorable credit options in the private sector.
- **Ensure that farmers can refinance existing debt with FSA loans**, which will help FSA support farmers navigating tough times.

- **Restore FSA eligibility for farmers** who experienced financial distress due to circumstances beyond their control, who acted in good faith, and received a debt write-down.
- **Expand equitable relief** when FSA erroneously denies a farmer's loan or program benefit and make equitable relief decisions appealable to the National Appeals Division.
- **Improve transparency and fairness in the National Appeals Division** by requiring that FSA include all potential reasons for denial in its initial communication, to ensure that the farmer does not have to go through the appeals process multiple times. This Act also changes the burden of proof in NAD appeals to FSA, instead of the farmer, when the farmer's annual farm income is \$300,000 or lower.
- **Enact a targeted two year, interest-free direct loan payment deferral**, and extend the term for repayment by farmers by two years. Eligible farmers would be those who are economically distressed and have not yet received aid from Sec. 22006 of the Inflation Reduction Act.
- **Waive guarantees loan fees for historically underserved farmers** for two years.

Our public institutions and agricultural policies must provide a supportive environment for family farmers to not only be resilient in the face of economic and environmental challenges, but actually thrive while feeding our communities. We call on our Congressional leaders to work collaboratively to advance these goals by strengthening FSA's lending practices through the Fair Credit for Farmers Act, and ensure its inclusion in the 2023 Farm Bill.

Sincerely,

National Family Farm Coalition
Rural Advancement Foundation International – USA

- Action Aid USA
- Addison County Relocalization Network
- African Alliance of Rhode Island
- Agricultural Justice Project
- Agroecology Research-Action Collective
- American Federation of Government Employees, Local 3354
- American Raw Milk Producers Pricing Association
- American Sustainable Business Network
- Americans for Financial Reform
- Ashtabula, Geauga, Lake Counties Farmers Union (Ohio)
- California FarmLink
- Campaign for Family Farms and the Environment
- Carolina Farm Stewardship Association
- Center for Community Self-Help
- Center for Food Safety
- Climate Justice Alliance
- Coastal Enterprises, Inc.
- Community Alliance with Family Farmers
- Community Alliance for Global Justice
- Coming Clean
- Community Farm Alliance
- Crop Swap LA
- Dakota Resource Council
- Dakota Rural Action
- Earth Action, Inc.
- Environmental Working Group
- Family Farm Defenders

- Farm Aid
- Farm and Ranch Freedom Alliance
- Farm to Institution New England (FINE)
- Farm Women United
- Farmer Foodshare
- Farming is Life
- Farmworker Association of Florida
- Federation of Southern Cooperatives
- Food and Water Watch
- Food for Maine's Future
- Food in Neighborhoods Community Coalition
- Food Tank
- Friends of the Earth
- Fruit Belt Advisory Council
- HEAL (Health, Environment, Agriculture, Labor) Food Alliance
- Impacted Families Project
- Institute for Agriculture and Trade Policy
- Iowa Citizens for Community Improvement
- Land Loss Prevention Project
- Mangrove Action Project
- Michael Fields Agricultural Institute
- Midwest Farmers of Color Collective
- Missouri Rural Crisis Center
- Moms for a Nontoxic New York
- National Young Farmers Coalition
- National Sustainable Agriculture Coalition
- New Entry Sustainable Farming Project
- North American Marine Alliance
- Northeast Organic Farming Association - Connecticut
- Northeast Organic Farming Association - Interstate Council
- Northeast Organic Farming Association - Massachusetts
- Northeast Organic Farming Association - New Hampshire
- Northeast Organic Farming Association - New Jersey
- Northeast Organic Farming Association - New York
- Northeast Organic Farming Association - Vermont
- Ohio Ecological Food and Farm Association
- One Fish Foundation
- OrganicEye
- Pasa Sustainable Agriculture
- Pesticide Action Network
- Powder River Basin Resource Council
- Progressive Agriculture Organization
- R-CALF USA
- Recirculating Farms
- Revolving Door Project
- Rise Economy (formerly California Reinvestment Coalition)
- Rural Coalition
- Rural Vermont
- Salmonberry Tribal Associates
- Shareable
- Slow Food USA
- Slow Money Northern California
- Soul Fire Farm
- Spiritual Agroecology
- Sprout NOLA
- Sustainable Agriculture of Louisville
- Sustainable Iowa Land Trust
- The Cornucopia Institute
- The Foodshed Network
- The Phoenix Group
- Toxic Free North Carolina
- Until Justice Data Partners
- Upstream Podcast
- U.S. Federation of Worker Cooperatives
- U.S. Food Sovereignty Alliance
- Vermont Sustainable Jobs Fund
- Wallace Center at Winrock International
- Wellsave
- Western Organization of Resource Councils
- Wisconsin Farmers Union
- Women, Food and Agriculture Network
- 350 Seattle

Legislative text of the Fair Credit for Farmers Act can be found [here](#).

A section-by-Section summary of the bill can be found [here](#).

If you need more information or have questions, please contact:

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