



UNITED STATES SENATE COMMITTEE ON  
**AGRICULTURE, NUTRITION,  
& FORESTRY**

U.S. SENATOR DEBBIE STABENOW, CHAIRWOMAN

## **Credit**

The Rural Prosperity and Food Security Act *keeps farmers farming and rural communities strong* by expanding access to credit that supports young and beginning farmers, sustains modern operations, and invests in the rural communities millions of Americans call home.

### **Modernizing Access to Credit:**

The bill improves access to lines of credit that help new farmers purchase their first farm and existing operations cover expenses by significantly increasing the borrowing limitations on direct and guaranteed ownership and operating loans.

The bill builds upon USDA guaranteed loan programs to tackle rising interest rates and authorizes USDA to step in and help a farmer stay on their land if they fall behind on a loan.

It also eliminates the cap on the number of years a farmer can receive direct loans from USDA to prevent farmers from being arbitrarily cut off from needed operating capital.

The bill expands the Conservation Loan and Loan Guarantee Program into the Precision Agriculture and Conservation Loan Program to improve access to new technology that will ensure that American agriculture continues to lead the rest of the world.

It also improves access to the tools and resources needed to help farmers and families resolve land ownership and succession issues.

Farming is a risky business, and many farmers operate on razor-thin margins. Access to credit can often be the difference between economic viability and financial hardship.

### **Supporting Beginning Farmers:**

For most beginning farmers, access to credit is the first step to starting their own operation. The bill makes several improvements to lower barriers to credit and help beginning farmers get started.

It eliminates an outdated requirement that does not reflect the needs of modern young farmer operations with individuals who may not be related and simplifies farm experience requirements for beginning farmer loans.

It also doubles the maximum amount for microloans and increases the maximum Down Payment Loan Program limitation to significantly expand financing for beginning farmers.

**Investing in Rural Communities:**

While ensuring that farmers have access to strong and reliable credit is critical to rural economies, the bill also expands credit access to improve the rural communities farmers live in.

The bill expands the Farm Credit System's authority to support health care, mental and behavioral health, community centers, and other facilities in partnership with local lenders with a priority for rural community banks.