

Issue Update

The Farm Bill is a legislative package that governs an array of agricultural and food programs in the U.S. This critical legislation has a tremendous impact on farming livelihoods and sets national agriculture, nutrition, conservation, and forestry policy. Several Farm Bill provisions are particularly important for banks, their customers, and the communities they serve:

Loan Limits for FSA Guaranteed Loan Programs. The cost of agriculture continues to increase at a rapid pace, especially for agricultural land. Increasing Farm Service Agency (FSA) loan limits for guaranteed farm ownership to at least \$3.5 million and increasing FSA guaranteed farm operating loans to at least \$3 million will help bankers keep pace with rising input costs and better serve their customers.

Beginning Farmer Programs. Farmers and ranchers are entering a much wider spectrum of farm business types and demand faster loan turnaround times to stay competitive. More flexibility and the ability to use off-farm income when applying for beginning farmers and ranchers (BFR) loan programs will help increase efficiency. As the modern farm structure continues to evolve, policymakers should update FSA definitions and interpretations of family farm structure to include BFR. FSA BFR loan programs should continue to focus on bona fide family farmers and ranchers, but there needs to be flexibility when determining which borrowers are eligible under this definition.

Down Payment Assistance Program. As land prices continue to rise, beginning farmers and ranchers will need more assistance to purchase land. The Down Payment Assistance Program provides a pathway for land ownership, but the current limit on the program isn't reflective of market prices. Increasing the dollar limit of the Down Payment Assistance Program will better align with the current realities of agricultural land prices.

Rural Development Funding. A lack of funding for the Rural Development Guaranteed Loan Programs has made it very difficult for banks to use the program, which has hurt rural communities. Policymakers should increase funding levels for Rural Development Guaranteed Loan Programs.

Technology for FSA Loan Programs. FSA loan programs continue to lag far behind the technological capabilities of banks. Congress should reexamine the technology needs of FSA loan programs and provide FSA with the proper funding to modernize its systems.

Why It Matters

Banks play a critical role in rural America, and the Farm Bill provides a vehicle for the banking industry to help meet the financial needs of farmers, ranchers, and agricultural communities across the country. Passage of the Farm Bill will allow bankers to better serve their customers and ensure high levels of credit availability for agricultural producers in the years to come.

Recommended Action Items

Support passage of the Farm Bill. The House of Representatives passed the House version of the Farm Bill on April 30, 2026 by a vote of 224-200. Ask Senators to support the passage of a new long-term Farm Bill in the Senate Agricultural Committee and on the Senate floor. The provisions in the Credit Title of both the House and Senate versions of the Farm Bill provide lenders with strong tools to meet the needs of the agricultural economy.

Oppose Amendments That Would Expand Farm Credit System Rural Home Loan Eligibility by Raising the Population Limit. Attempts to expand Farm Credit residential lending authority in thousands of new communities across the country would incentivize mission drift at Farm Credit and risk diverting capital away from agricultural loans to farmers, ranchers, and producers.