



Kim Reynolds
GOVERNOR

OFFICE OF THE GOVERNOR

Adam Gregg
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July 23, 2024

The Honorable Tom Vilsack
Secretary of Agriculture
United States Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Dear Secretary Vilsack,

Given the evolving challenges faced by farmers and ranchers in Iowa and across the nation, it is crucial that they have access to every available tool to help them rebuild after natural disasters. This year alone, Iowans have endured two tornado events and, most recently, devastating floods, resulting in multiple presidential disaster declarations.¹ In these critical times, state and federal partners must collaborate and utilize all resources to support communities in their disaster recovery efforts.

Therefore, we urge the United States Department of Agriculture (USDA) to utilize their existing statutory authorities to adjust their disaster programs to provide farmers, ranchers, and producers with the flexibility they need after a natural disaster to recover and rebuild.

The Small Business Administration's (SBA) disaster assistance programs offer vital, flexible support in difficult times to small businesses. We understand that these programs are limited to non-agricultural small businesses, with USDA providing access to complementary programs, such as the Emergency Loan Program, that are intended and specifically designed to assist agricultural producers like farmers and ranchers. While USDA and SBA coordinate to ensure these programs effectively reach rural small businesses, we continue to hear from disaster victims that the terms available to borrowers within the USDA programs are less favorable compared to those at SBA, which offer a greater amount of flexibility with interest, balance, and payment terms. Similar to our request today, the SBA provided much of this flexibility in 2022 and 2023 by utilizing administrative authorities.^{2 3}

As Iowans begin to recover from the many disasters that have impacted them, the historical and continued lack of fairness in what rural communities are offered by USDA is having a meaningful and substantial impact. Consideration should be given to these communities, which are integral to feeding America and the world, by granting them the same or similar terms through USDA as those that are

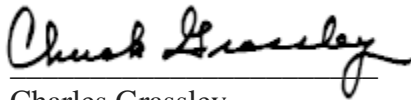
provided to less rural areas through SBA. USDA can do this through its existing statutory authorities, which provide it with the ability to make “all loans repayable at such times as the Secretary may determine,”⁴ and broad authority to set interest rates at a level “prescribed by the Secretary, but not in excess of 8 percent per annum.”⁵ We encourage you to utilize these existing authorities to defer payment on disaster loans for a full year⁶ and reduce interest rates to zero during that deferment. This would provide much-needed parity to farmers as they rebuild their agricultural operations.

Again, we urge you to prioritize program flexibility and the allocation of resources toward expanding and enhancing disaster assistance programs to meet the needs of Iowa farmers and ranchers. These programs are crucial in providing essential support to communities working to recover and rebuild after disasters.

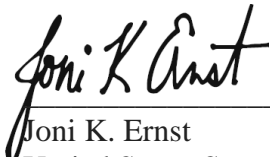
Sincerely,



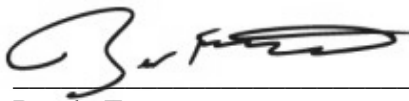
Kim Reynolds
Governor of Iowa



Charles Grassley
United States Senator



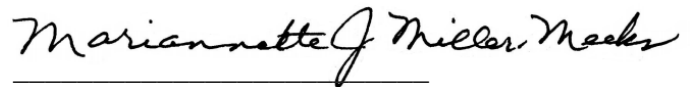
Joni K. Ernst
United States Senator



Randy Feenstra
Member of Congress



Ashley Hinson
Member of Congress



Mariannette Miller-Meeks, M.D.
Member of Congress



Zach Nunn
Member of Congress

¹ Iowa; Major Disaster and Related Determinations, 89 Fed. Reg. 50620, (June 14, 2024), *available at* <https://www.govinfo.gov/content/pkg/FR-2024-06-14/pdf/2024-13080.pdf>; *see* SBA, Presidential Declaration of a Major Disaster for the State of Iowa, 89 Fed. Reg. 47192, (May 31, 2024), *available at* <https://www.govinfo.gov/content/pkg/FR-2024-05-31/pdf/2024-11948.pdf>; *see* FEMA, Iowa Severe Storms, Flooding, Straight-line Winds, and Tornadoes, DR-4796-IA, *available at* <https://www.fema.gov/disaster/4796>; *see* SBA, Presidential Declaration Amendment of a Major Disaster for the State of Iowa, 89 Fed. Reg. 54121, (June 28, 2024), *available at* <https://www.govinfo.gov/content/pkg/FR-2024-06-28/pdf/2024-14235.pdf>.

² Disaster Assistance Loan Program Changes to Maximum Loan Amounts and Miscellaneous Updates, 88 Fed. Reg. 39335, (June 6, 2023), *available at*

<https://www.federalregister.gov/documents/2023/06/16/2023-12779/disaster-assistance-loan-program-changes-to-maximum-loan-amounts-and-miscellaneous-updates>.

³ Disaster Assistance Loan Program Changes to Maximum Loan Amounts and Miscellaneous Updates, 88 Fed. Reg. 39335, (June 6, 2023), *available at* <https://www.federalregister.gov/documents/2023/06/16/2023-12779/disaster-assistance-loan-program-changes-to-maximum-loan-amounts-and-miscellaneous-updates>.

⁴ 7 U.S.C. 1964(d)

⁵ 7 U.S.C. 1964(b)(1)

⁶ Press Release, SBA, *U.S. Small Business Administration to Offer Disaster Loans with No Interest and No Payments for First Year*, (Dec. 7, 2022), *available at* <https://www.sba.gov/article/2022/dec/05/us-small-business-administration-offer-disaster-loans-no-interest-no-payments-first-year>.