

Proposal: 1786 (AG44) Resolution Related Resource for Large Banking Organizations

Description:

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From: Leftskewed Investment Management, Billy LoBue

Proposal: 1786 (AG44) Resolution Related Resource for Large Banking Organizations

Subject: Resolution-Related Resource Requirement for Large Banking Organizations

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Comments:

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Proposal: Resolution-Related Resource Requirements for Large Banking Organizations [R-1786]

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Your comment: What to do beyond the FDIC insurance level is difficult. Banks deploy the capital, so it technically isn't sitting idle in the economy and thus otherwise contributing. Maybe balances above the FDIC level should have an initial amount of clear and regulated communication with their bank once reaching this level around the risks the individual is willing to accept with their "deposits." If a customer wants to pay a fee to store their cash, that would potentially offer banks a new business model. However, with regard to FDIC insured account balances, I think in the event of a crisis during an inflationary period, it's best to keep the money supply fixed. In the event of bank collapses, I think the federal reserve can engage in FDIC insurance, while simultaneously engaging in a roughly equal amount of QT, negating the need to go through congress and directly pass burdens onto the taxpayer. The FDIC-insured and saved savings will ensure there is buying power to stimulate the economy, even if it experiences a slowing due to tightening. I acknowledge this is a complex issue and I appreciate the opportunity to share what seems to make sense to me.