

Proposal: 1813 (AG64) Reg H, Q, LL & YY-Regulatory Capital Rule: Amendments to LBOs and Banking Organizations

Description:

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Comment ID: 156306

From: Nevada State Assembly District 30, Natha C. Anderson

Proposal: 1813 (AG64) Reg H, Q, LL & YY-Regulatory Capital Rule: Amendments to LBOs and Banking Organizations

Subject: R-1813 Regulatory Capital Rule: Amendments Applicable to Large Banking Organizations and to Banking

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Comments:

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Re: Docket Number R-1813/RIN 7100-AG64

To the Federal Reserve Commission:

I was recently alerted to the possibility of consideration to increase the bank capital requirements in purchasing a home. Nevada housing prices have shown little sign of slowing down, especially here in the Reno-Sparks area (considering the median home prices as of September, 2023 was \$562,000.00). It is nearly impossible for families to enter the housing market, despite having made financial sacrifices for years to save for a down payment. Now, their odds of purchasing their first home could become even slimmer if we move forward with a proposed rule to increase bank capital requirements.

The recently introduced rule would have a major impact on banks and who they choose to offer a mortgage to. This is because higher capital requirements could lead them to turn down applications from homebuyers that do not have 20% saved for a down payment, perceiving them to be a risky borrower. With the Northern Nevada housing market seeing homes fly off the shelves at well over asking price, families would be further priced out under higher capital requirements, preventing them from accessing a major source of generational wealth.

Economists throughout the country have stated that there is no real need to impose these increased capital requirements for banks, as our nation's banks have already passed countless financial stress tests showing they have high levels of liquidity. This list even includes federal leaders such as Federal Reserve Chair Jerome Powell, who has previously remarked that "capital and liquidity levels at our largest, most systemically important banks are at multi-decade highs." Even with these various displays of confidence, further increases to capital requirements for banks continue to progress forward.

The Federal Reserve has spent months on end trying to win the battle against historic inflation; but now there is a risk that another economic issue may arise if we increase capital requirements unnecessarily. I speak for my constituents and community when I say that this proposal must be turned down. Please consider the impact this will have on our communities, our schools, neighborhoods and creating a stable home environment for our children.

Thank you for your consideration in this matter and please feel free to contact me if you have any questions or concerns.

Sincerely,  
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