

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

Description:

Comment ID: 156344

From: Marcurius Byrd

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

Comments:

I write to express my strong opposition to the proposal that seeks to increase capital requirements for banks. While I understand the importance of maintaining financial stability, I believe that this proposal, if implemented, could have a detrimental impact on clean energy initiatives and the broader goals of environmental sustainability. As a Richland County resident, I am acutely aware of the critical need to transition towards cleaner and more sustainable energy sources. Climate change is an existential threat that demands urgent action, and the financial sector plays a pivotal role in supporting this transition. In our region alone, we have already seen over \$80 million dedicated to clean energy initiatives through the launching of the Richland County Solar Project back in 2019. Through this and several other projects, policies, and efforts, we have worked hard to promote clean energy to create a more sustainable future.

This progress may now be limited by the proposed increases on capital requirements. Developers in charge of clean energy initiatives often require significant upfront investments, which they can obtain through banks via loans. However, this regulation would make banks less likely to provide loans to projects they deem too risky, directly limiting their ability to provide loans to these very same groups. As a result, our clean energy projects here in Richland County and across the country may find themselves in limbo due to increased difficulties in obtaining the financing they need. Moreover, our country's leading economic minds have already stated that any such capital requirement increases are not necessary. Treasury Secretary Janet Yellen has previously confirmed that "banks have adequate capital" and are well equipped to withstand choppy economic times. The Biden-Harris administration has made clean energy investments a top priority, as seen through key pieces of legislation such as the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. To fully take advantage of this moment for historic change, we need to aid developers with these projects by ensuring they have access to the financial services they need. By rejecting any increase in bank capital requirements, we can ensure that this progress is not unnecessarily impeded.