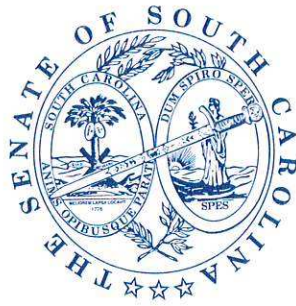


KEVIN L. JOHNSON
SENATOR, CLARENDON, DARLINGTON,
FLORENCE AND SUMTER COUNTIES
SENATORIAL DISTRICT 36

COMMITTEES:
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To Whom It May Concern:

I am proud of the work that has been accomplished in South Carolina over the last few years to be among the nation's leading states in Black homeownership and entrepreneurship. We have done so by recognizing the importance of investing in our communities of color and supporting their financial goals. Even though we have much to do to extend this achievement, we risk deteriorating this progress by finalizing efforts to raise capital requirements on banks.

The significance of this regulation would reverberate to our communities of color and the opportunities they have to enter the housing market. Black families have already faced a long list of obstacles in attempting to purchase their own homes. This includes systemic policies against minority communities, which have contributed towards Black families having to work an extra five years to save for a 5% down payment on a home in comparison to White families. Higher capital reserve requirements wouldn't solve this discrepancy, but instead worsen it. It would compel banks to cover their own financial portfolio by reducing the total number of mortgages they approve, as well as making it more expensive to borrow to begin with. It would leave minority communities with little choice but to continue renting for years on end, contributing to an even greater racial disparities in homeownership.

Similar concerns are apparent when looking at how the rule would impact South Carolina's Black business owners. While our state ranks highly in support for Black entrepreneurs, the reality is that most of the country lags behind. This is especially true when it comes to accessing credit, with the Joint Center for Political and Economic Studies finding that 6 in 10 Black business owners are facing challenges. These financing issues may only worsen by going through with this regulation, as banks would cut lending services and make it harder for small businesses to obtain a loan. Without the ability to borrow money, minority businesses would have no direct way of paying their employees, restocking shelves, or even keeping their lights on.

The hard work and dedication of South Carolina's leadership has enabled us to support the growth of our minority communities. In my capacity as a State Senator, I am asking that you sincerely consider voting against the proposed rule so we can continue to provide them with the equitable economic opportunities they deserve.

Sincerely,

A handwritten signature in black ink that reads 'Kevin L. Johnson'.

Senator Kevin L. Johnson