

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

Description:

Comment ID: 156387

From: Emily Cleveland

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:

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Hello,

In my role as the Conservation Director at Wild Montana, I lead campaigns and programs to protect Montana's public lands and wild places from development, degradation, and privatization. Because I recognize the interconnectedness of environmental conservation and economic policies, I am deeply invested in advocating for responsible financial regulations that align with sustainable practices. I am writing to you today to convey my serious reservations about the proposed increase in capital requirements for banks, as I believe such regulations would undermine the progress of clean energy initiatives and decarbonization efforts across the country.

Tax equity, which is mainly supplied by banks, plays a vital role in financing renewable energy projects. However, the proposed regulations could considerably restrict the availability of these funds by making it more expensive for banks to lend support to these projects. This could slow down the development and deployment of renewable energy infrastructure, such as solar and wind farms, which are crucial for decarbonization efforts.

The anticipated disruption to the clean energy sector caused by this plan will also trigger cascading adverse effects on the overall economy. Startups and companies focused on developing innovative clean energy technologies typically rely on external funding for research, production, and commercialization. Insufficient access to capital could hinder the profitability of these businesses and potentially lead to worker layoffs.

While I understand that this plan aims to strengthen the stability of the financial system, there are legitimate concerns about its potential impact on clean energy initiatives. Balancing financial stability with the imperative to accelerate the transition towards sustainable energy will require careful consideration and proactive measures to ensure that clean energy projects continue to receive adequate support and investment. In order to safeguard the growth and sustainability of the clean energy sector, it's crucial for the Federal Reserve to reconsider the proposal to increase capital requirements on banks.

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