

# SENATE OF VIRGINIA

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November 2, 2023

The Honorable Jerome H. Powell  
Board of Governors of The Federal Reserve System  
1709 New York Ave NW  
Washington, DC 20006

re: Opposition to proposal to increase capital requirements

Dear Chair Powell:

As I travel through my district meeting with constituents throughout Prince William, Fairfax, and Stafford counties, I am hearing that it has become increasingly difficult for Virginians to keep up with the cost of living. This could not be more true for those looking to start their own businesses or even buy their first homes. With interest rates currently through the roof, these things have never been more expensive.

Instead of helping decrease costs for American families, I am deeply troubled that a new bank regulation would add to our economic woes. This proposed regulation would seek to increase the minimum capital requirements for banks at a time when our banking sector is already strong and built to take on any economic downturn that may occur in the future. Federal Reserve Chairman Jerome Powell has said as much, asserting that "the banking system is very strong, well-capitalized, highly liquid." All this makes it clear that there is no need for any additional overregulation that could bring more economic damage than benefit.

Most importantly, this regulation would have a major impact on my constituents and their ability for their businesses to access credit. Banks holding on to a greater amount of capital would lead them to shrink the number of loans they give out. This would harm our region's small businesses who rely on quick access to funding to pay for their various day-to-day expenses. Without it, they would struggle to keep their doors open, unable to afford rent, employee salaries, and more.

Moving forward with increased bank regulations would work against American households trying to gain economic stability, raising borrowing costs at a moment where things are already expensive. You must reconsider the greater economic consequences of this rule and vote against it.

Sincerely Yours,

A handwritten signature in blue ink that reads "Scott A. Surovell".

Senator Scott A. Surovell  
36<sup>th</sup> Senate District