

# SENATE OF VIRGINIA

**LAMONT BAGBY**  
9TH SENATORIAL DISTRICT  
ALL OF CHARLES CITY COUNTY; PART OF  
HANOVER AND HENRICO COUNTIES; AND PART  
OF THE CITY OF RICHMOND  
P.O. Box 396  
RICHMOND, VIRGINIA 23218



November 6, 2023

To whom it may concern,

I hold my role as Chair of the Virginia Legislative Black Caucus extremely seriously. At a moment in time when Black families continue to work twice as hard for an equal opportunity at every turn, it is up to my elected colleagues and I to ensure we provide them with the support and resources they need to move forward.

I fear today that this challenge may only grow more difficult if the recently proposed rule to increase the minimum capital requirements for banks is adopted. Although this directive appears well intentioned, it is unnecessary. In fact, leaders within the central bank have said as much. Federal Reserve Chairman Jerome Powell has asserted that “capital and liquidity levels at our largest, most systemically important banks are at multi-decade highs.”

Instead, this proposed regulation would have major economic consequences on Black communities. This is especially true when it comes to families looking to buy their first homes here in Richmond. It has been shocking to see how expensive homes have become in recent years, seeing a 15% increase over last year and quickly pricing out folks from the housing market. These prices could become even more untenable by raising bank capital requirements. This would create a major credit squeeze, as banks reduce the number of mortgages they offer, raise requirements for borrowers, and make it more expensive to obtain a loan. With Black families already having faced historically discriminatory policies and obstacles to buying a home to call their own, we cannot pass a regulation that would make it even harder to do so.

Federal bank regulators have no doubt led the way in bringing us back from a pandemic, high inflation, and tough economic times. This work changed the lives of countless Black families across Richmond and the nation. I am now asking that you please reject this rule to raise capital requirements so our communities can continue to prosper.

Sincerely,

A handwritten signature in blue ink, appearing to read "L Bagby".

Lamont Bagby  
Member, 9<sup>th</sup> District  
Senate of Virginia  
Chair, Virginia Legislative Black Caucus