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As Chair of the Delaware County Council, it is my responsibility to promote the economic well-being of all communities and constituents living in the region. This includes ensuring they have the ability to purchase a home, start their own business, or other similar investment opportunities that enable them to build wealth. However, if we move forward with the proposed increased capital requirements on banks, many of these possibilities may well soon be out of reach.

It has been made clear that raising capital requirements is completely unnecessary. Treasury Secretary Janet Yellen has stated so, noting that "the American banking system is really safe and well-capitalized, it's resilient." Even with our country's top economic officials arguing that our banking system remains strong, these regulations remain the subject of discussion.

Mandating increases to capital requirements for banks would cloud the future of countless small businesses in the region, especially for communities of color. According to the Joint Center for Political and Economic Studies, 6 in 10 Black business owners faced challenges obtaining capital, while over a third of Latino business owners faced the same issue. They rely on steady access to credit from banks to maintain and grow their operations, whether that be covering unexpected costs or opening new store locations. New bank regulations would directly cut off this access, as financial institutions would be more reluctant to provide loans to those that they consider to be a risk, such as businesses getting back on their feet. It prevents businesses of color from accessing the resources they need, leaving them financially vulnerable.

These proposed regulations would also make it harder for first time homebuyers to enter the market. This is especially true for Black and Hispanic families, who have had to battle systemic, discriminatory housing policies that make it much harder to purchase a home. On top of that, our communities have seen housing prices surge by double digits since the COVID-19 pandemic, making it the hardest time to buy a house in the region in decades. This affordability crisis would only worsen by raising bank capital requirements. Banks would continue to cut as much risk as they can, which would include first time homebuyers that do not have enough money saved to put 20% down. Unless greater changes are made, these regulations would only hamper the ability to obtain a mortgage.

Our economy has surged back from a pandemic thanks to the leadership of the Biden administration. To remain on this path, we must reject efforts to raise capital requirements on financial institutions. With these regulations proving that they would cause more harm than good, I call on you to reject these proposals.

Sincerely,

A handwritten signature in black ink, appearing to read "Dr. Monica Taylor".

Dr. Monica Taylor  
Delaware County Council, Chair