

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

Description:

Comment ID: 156589

From: Eerie NAACP, Gary Horton

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:

NONCONFIDENTIAL // EXTERNAL

Comments from Gary Horton, President, Erie NAACP #2262, as sent by Secretary Veronica Rexford.

Housing affordability continues to be a struggle for many families here in Erie. As President of the Erie NAACP branch, I can say without a doubt that now is one of the most difficult times to buy a house, especially for the African American community. While things appear to be getting better, I am worried that following through with implementing a rule to raise bank capital requirements may add to these housing struggles.

Under this regulation, banks would be required to hold on to more capital in the event of a future economic crisis. Doing so would create a major credit squeeze here in northwestern Pennsylvania. This is because banks would be less inclined to provide loans and financing to anyone that they deem to be a risky borrower. As a result, families could be left without the banking services they need for their everyday lives.

The impact of this rule would especially harm first home buyers. Many banks would be significantly more risk averse than before, meaning they would be reluctant to provide mortgages to families looking to buy their first home. This would only add to the housing affordability crisis Black families are facing today as they try to break into the market. Even though more Americans own a home now than ever before, the National Association of Realtors found that the Black-White homeownership rate gap is the biggest it has been in a decade. At the same time, the homeownership gap between Black Americans and any other racial groups has only grown. Rather than add to the challenges that communities face with purchasing a home, we should be looking to make it more economically feasible to enter the housing market.

My time leading the Urban Erie Community Development Corporation has allowed me to provide our communities with the resources they need to be economically empowered. To further this goal, I ask that you consider the significant consequences this rule would have on an already unaffordable housing market. We must vote down a regulation that hurts the African American community and keeps Pennsylvanians from being able to achieve their dream of owning a home.

Gary Horton, President
Erie NAACP #2262
Veronica Rexford
<https://www.linkedin.com/profile/view>
Secretary, Erie NAACP
o 814-899-3904