

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

Description:

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Comment ID: 154760

From: Casey L. Matthiesen

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

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Comments:

Greetings,

I hope this message finds you well. I am writing to express my concerns regarding the potential increase in capital requirements and its potential impact on underserved communities as a member of the Yankton Sioux Tribe. I believe it is essential to consider the broader implications of any regulatory changes. While maintaining the stability and resilience of the financial system is undoubtedly important, we must also be mindful of the potential unintended consequences.

Increasing capital requirements for financial institutions may limit their ability to provide credit and financial services to underserved communities, including tribal communities in our region. These communities already face various challenges when it comes to securing financing to start and grow businesses, buy homes, purchase cars and so much more. As stated in a paper recently published by the Urban Institute, this proposal "would disproportionately disadvantage low- and moderate-income (LMI) borrowers and communities."

In addition to how this proposal could harm underserved communities, it is also unnecessary. Our banking system was strengthened by federal regulators after the 2008 crisis, with our banks currently at "multi-decade highs" in capital levels, according to the Federal Reserve Chair Jay Powell. We must also commend the Federal Reserve for their work fighting inflation in the past year, but let's be clear, if this proposal is passed, then we risk all the progress we have made. That's why I am requesting that you carefully assess the potential impact of any proposed changes in capital requirements on underserved communities and oppose its implementation. It is vital that you help shape policies that support both financial stability and the economic well-being of underserved populations.

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