

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

Description:

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Comment ID: 156102

From: Jeff Hart

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:

From: Jeff Hart

Date: October 29, 2023 at 3:34:19 PM EDT

To: regs.comments@federalreserve.gov

Subject: Docket Number: R-1813 RIN: 7100-AG64

The African American community here throughout Orangeburg recognizes how critical homeownership can be to building wealth. As the state with the highest percentage of Black homeownership in the entire country, we pride ourselves on ensuring communities of color have the opportunity to change the economic outlook of their family for generations to come. Today, I write to you because I fear that the proposed rule to raise capital requirements for banks could jeopardize this success.

Specifically, this proposal would reduce the existing opportunities for Black homeownership. Under this new rule, banks would respond by reducing loan availability and increasing their mortgage standards. As a result, many first time homebuyers that don't yet have enough saved for a down payment would be left on the outside of the housing market looking in. In a period where we and the rest of the country are facing a housing crisis that hasn't been seen in over a decade, we must pass regulations that make it more economically feasible to purchase homes.

The inability to enter the housing market would significantly slow the progress that Black families have made towards achieving economic equity. Purchasing and owning a home is a key step towards building generational wealth for families. However, this option could quickly dwindle under the proposed capital requirements rule, which would limit Black families in their ability to become a homeowner. Owning a home has long remained an American Dream for decades, but is becoming ever more difficult to achieve. By raising capital requirements on banks, Black homebuyers will be cut off from the key financial services they need to purchase a home. We must reject these rules given the negative consequences they will have on our region's housing market.