

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

Description:

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Comment ID: 156108

From: Imagination Tree Learning Center, Mayra Jaime

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:

Dear Federal Reserve,

I write to you today as a Latina business owner and Arizona community member to strongly oppose the proposed increase in capital requirements for banks. Minority-owned businesses play a crucial role in ensuring that our local, state and national economies are thriving; we must create policies that support these individuals and businesses, rather than implementing rules that will negatively impact lending and borrowing abilities.

The proposed changes to capital requirements would lead to more stringent lending standards and decreased access to affordable credit; in doing so, small businesses like mine will have less access to the financial resources and assistance they need to remain open, particularly during this period of economic uncertainty. These new requirements could similarly disincentivize young entrepreneurs from starting their own businesses and investing in their goals for fear of not securing the financial aid they need to get their feet off the ground.

It goes without saying that our banks are more than prepared to handle any oncoming crisis. We saw firsthand during the COVID-19 pandemic that they helped keep our economy going. Our banks already hold more capital than European banks and get annually inspected by the Federal Reserve and if increasing capital requirements will have negative effects on our communities, then adopting this proposal is unnecessary.

I applaud President Biden and his administration's work to maintain a strong economy in the face of an unprecedented pandemic and the Federal Reserve's work to battle rising inflation; it is vital, however, that we expand this work to continuing to help small businesses, and particularly minority-owned businesses that are essential to driving job creation, innovation, and overall economic growth. I urge you to reconsider adoption of these new rules and instead invest in the needs of our community and small businesses.

Mayra Jaime  
Imagination Tree Learning Center  
CEO