

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

Description:

Comment ID: 156138

From: Chris Sumpter

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:

My family has raised cattle here in South Carolina for four generations. It's a source of pride that has motivated me to not only continue the work of those who came before me, but also to speak up for our farming community, which has had its share of ups and downs over the years. It motivated me to run for public office, where I served on the Sumter County Council to speak up for our rural neighbors and tend to their needs.

Many of our region's farmers are now worried about the proposal to have banks raise the amount of capital they hold in their reserves. This action will have adverse effects on our ability to secure loans, as banks would look to shrink their portfolios by denying any borrowers they view as risky. Without this access to credit, farmers won't have the money they need to fund their operations, purchase new agricultural equipment, or pay their workers. These barriers could then lead to slow downs in agricultural production. With agribusiness being our largest industry, accounting for nearly 260,000 jobs and \$52 billion in annual economic impact, this action would have major consequences on our state's food security and economy.

Whatmore is that making banks hold on to more capital in their reserves is not necessary, as we already have a robust financial sector. Federal Reserve Chairman Jerome Powell has indicated this, stating that "the banking system is very strong, well-capitalized, [and] highly liquid." With these banks already upheld to the highest standards in the world and required to pass economic stress tests to ensure stability, there is virtually no real need to mandate even higher capital requirements on a system that is working just fine.

The Federal Reserve has shown leadership in their fight against inflation, with recent data showing we are on the verge of finally returning to normal levels. This has allowed farmers across South Carolina to get back on their track and on stable economic footing. Help us make sure things stay this way by saying no to higher capital requirements that simply aren't necessary.