

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

Description: The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation are inviting public comment on a notice of proposed rulemaking (proposal) that would substantially revise the capital requirements applicable to large banking organizations and to banking organizations with significant trading activity. The revisions set forth in the proposal would improve the calculation of risk-based capital requirements to better r

Comment ID: 154746

From: Wisconsin State Representative, Wisconsin State Representative, Jodi Emerson

Proposal:

Subject: R-1813 Regulatory Capital Rule: Amendments Applicable to Large Banking Organizations and to Banking

Comments:

Hello,

I wanted to send you my thoughts on the recent proposal that seeks to mandate that banks hold a greater amount of capital in their institutional reserves. This regulation would have unintended consequences on our state's economic development at a time where we are just beginning to get back on our feet following a period of high inflation. For that reason, it is imperative that you reject this proposal.

Our state has relied on construction jobs and projects as part of our economic rally. This includes helping drive record job growth that contributed to a historically low unemployment rate this year. Many of these developments are able to move forward so quickly because they have steady access to capital and funding through financial institutions such as banks. Nonetheless, raising capital requirements would put these ongoing construction projects and developments at a stand still. This is because banks would make it harder and more expensive to obtain such capital, all with the intention of reducing their risk. This would certainly harm the construction industry, which would be unable to take advantage of the new federal infrastructure spending coming into the state.

A slowdown in new building development and infrastructure would have a significant impact on our communities here in the City of Eau Claire. Our residents have just welcomed the opening and arrival of two new boutique hotels, a new performing arts center, and more, all of which contribute to both our construction and tourism industries. Despite the boom our region is currently experiencing, it may quickly disappear by raising capital requirements, as we would be unable to continue signing off on projects that need capital to pay for labor, materials, and permits.

The Biden administration has continued to fight for everyday Americans by not only creating new jobs that pay well, but also helping update our crumbling infrastructure. This couldn't be more true for our residents here in Eau Claire, where we have experienced a community revitalization. It is for that reason I ask that you please vote down capital bank requirements so we can continue to develop and improve the community we call home.

Jodi Emerson
State Representative-91st District
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