

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

Description:

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Comment ID: 154742

From: Chance Lebron

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:

My family has lived in Spartanburg, South Carolina for generations and I'm proud to have been raised here with the warmth and care of the community. It's because of this I'd like to invest in my future here through homeownership. And I'm not alone, as Youth Committee Chair of the West Spartanburg NAACP I represent others like me who want to build wealth through homeownership. Unfortunately, buying a home may be out of reach for me and other young people due to a recently introduced rule to increase capital requirements for banks.

Under this regulation, banks would essentially be required to increase capital by holding on to more money in their vaults in the event of an economic emergency. While this may seem like a good idea, our banking system is already the strongest in the world, making such a regulation fruitless. Instead, the rule would lead to higher borrowing costs for families and people like me across South Carolina, making it harder to access credit and banking services.

Most significantly, this regulation threatens to harm the ability for Black communities like my own to go ahead and purchase a home. With banks having higher capital requirements, they would look to cut the number of mortgages they offer, while also making it more difficult to obtain one in the first place. This means that individuals like myself who haven't yet had the opportunity to save up for a 20% down payment would be all but shut out from being able to purchase a home. Under these circumstances, I fear that Black communities would be prevented from accessing a critical pathway towards building generational wealth.

Leaders within the Biden-Harris administration are continuing to work hard towards lowering the cost of living so things can be more affordable for all of us. Their good work may be in vain if we unnecessarily raise bank capital requirements, as it would add to the housing crisis we currently face. Given this, I urge you to reject this regulation and instead look to implementing affordable housing policies for our families.

Chance Lebron