

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

Description:

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Comment ID: 156671

From: Ray Brown

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:

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My community here in North Carolina would be economically devastated should federal regulators move forward with increasing capital requirements for banks. Specifically, it would harm countless small businesses and prevent longtime residents from entering an already strenuous housing market.

Our nation's leading economic experts have already made it clear that the banking system is strong and robust. U.S. Treasury Secretary Janet Yellen couldn't have been more direct when she stated that "there is adequate capital and liquidity in America's banking system." However, even with these reassurances from top officials that the system is sound, this proposal is still under consideration.

Pushing for these unnecessary regulations would have a direct impact on our region's small businesses. These mom and pop stores rely on loans from banks to open new storefronts, hire more employees, and grow their business. However, with higher capital requirements, this proposal risks stifling this progress. With these new rules making banks less willing to lend out money, our small businesses could be left on the short end of the stick, without the funds they need to stay afloat. With businesses still dealing with the impact of inflation and a rocky labor market, we cannot pass regulations that would further hurt them financially.

At the same time, the proposed increase in capital requirements would also harm my constituents who are first time homebuyers. Banks would be less likely to provide a mortgage for families that aren't able to put 20% down, perceiving them as a risky borrower. With Americans already taking countless years to save up to buy their first home, these new regulations would further prevent them from entering the housing market by reducing availability to credit.

Thanks to the Federal Reserve's efforts, inflation rates are starting to normalize. Yet, this proposal now risks creating another economic issue by finalizing increased bank capital requirements. Instead, I call on our federal regulators to reject these unnecessary rules so we can instead focus on uplifting small businesses and first-time homebuyers.

Thank you for your consideration,

Ray Brown