

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

Description:

Comment ID: 156675

From: Selena Torres

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:

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To Whom It May Concern -

The Latino population has played a critical role in Nevada for decades. Representing 30% of the population, Latino workers, investors, entrepreneurs, and consumers continue to be a growing force that drives our state's economy forward. To continue supporting this critical portion of our population, we need to continue to invest the time and resources necessary to help them grow financially. Finalizing the recently proposed rule to raise capital reserve requirements on banks, however, would prevent us from doing so.

From 2007 to 2012 alone, the number of Latino-owned businesses in Nevada nearly doubled, increasing by 87% over that time period. Part of the reason for this growth comes from their ability to access credit and capital from banks. It enables them to obtain the loans they need for hiring employees and opening up store locations, helping the greater local economy. This has also led Latinos in Nevada to lead the state in the percentage of the population employed in the labor force. However, these figures could both quickly diminish under higher capital requirements for banks, as Latino businesses would no longer be able to quickly obtain the lending services required to keep up with their everyday expenses. These outcomes would reverberate around our state's economy at a time when the national outlook already remains hazy.

First time homebuyers in Nevada now also consist of a greater number of Latino families. They have been able to go to banks for affordable mortgage loans at a consistent rate, enabling them to build equity rather than renting. Still, despite this growth, only 44 % of Latinos in Nevada own their homes, compared to 63% of White residents. This disparity in home ownership would only grow under the new capital requirements. Banks would look to make it more expensive and difficult to obtain a mortgage, as they attempt to shrink their risk portfolios. Combined with high interest rates that don't appear to be coming down anytime soon means that this would all shut out countless families from the opportunity to achieve a key part of the American dream.

Key members within the Biden administration know just how important it is that we provide our minority communities with every opportunity to get ahead. That's why they've made steady investments into the Latino community. It is my hope that we can continue to build on this great work for years to come, but to do so, we must stop efforts to raise capital requirements for banks.

Thank you,

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