

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

Description:

Comment ID: 156704

From: Elke Weil-Millan

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 Hispanic population has been the fastest growing population demographic in North Carolina since the 1990s. This rise sparked from the increasing number of economic opportunities that come with living here in our great state. It continues today as we see a greater number of jobs and businesses move into the region, with our Hispanic communities playing a key role in supporting our state's economic growth. It is clear that this success is now under duress due to the potential implementation of higher capital requirements for banks and the impact it would have on communities of color.

The proposed regulation would undoubtedly have major financial implications on our housing market. As with much of the rest of the country, North Carolina has experienced a major jump in housing prices. This, combined with 8% mortgage rates, have made it more difficult for first time home buyers to enter the market. Rather than helping to address this issue, this new rule would only make matters worse. It would cause banks to reduce their loaning services, making it much more difficult and expensive to obtain a loan and mandating higher down payments from borrowers. This would hurt first time home buyers across the board, including Hispanic families, where one in three list not having a large enough down payment as the main thing keeping them from purchasing a home. As a result, the regulation would only add to the list of barriers that prevent Hispanic families from owning a home.

Homeownership isn't the only sector of the economy where North Carolina families would struggle. Our state is home to nearly 1 million small businesses, a majority of which were able to open their doors thanks to the lending services made available by banks. They now continue to look to these financial institutions for continuing access to capital in order to pay for ongoing business expenses. Encouraging the passage of higher capital requirements would put these lending systems at stake, as banks would quickly look to protect their own pockets and reduce loan availability. It would be grim news for Hispanic small businesses owners, who are quickly becoming a growing portion of all minority owned businesses, but could see their growth stymied under these new potential changes.

To support our Hispanic communities here in North Carolina, we cannot allow this new proposal to be finalized. It would damage decades of steady progress made and could leave our state worse off from an economic standpoint.

Sincerely,

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Elke Weil-Millan
Owner