

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

Description:

Comment ID: 156798

From: Chris Miller

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 -

Affordable homes here in Nevada have been hard to come by as of late. As a realtor myself, many of my clients have struggled to grapple with the dramatic rise in housing prices, leaving many locked out of the market and preventing them from settling in a community where they thought they would be able to raise their families. As disappointing as that might be, I am extremely concerned about how things could get worse, not better, if we make changes to increase bank capital requirements too hastily.

Having higher reserve requirements on banks directly affects first-time homebuyers and their ability to obtain the mortgages they need. This comes from the fact that banks would become significantly more reluctant to offer mortgages to any family or individual they view as a risky borrower. Even if they do provide them with a mortgage, banks would likely charge the borrower hundreds or even thousands more dollars to do so, all in efforts to cover what they view as a risky investment. This decision, on top of already historically high interest rates and prices for homes, would mean families would struggle to meet their monthly mortgage payment, leaving them outside of the housing market and unable to begin building equity.

Despite the ongoing discussion surrounding how this regulation is necessary, the truth is that we already are home to what some may consider the world's strongest financial sector. Ever since the 2008 crisis, our economic leaders have enacted policy after policy to make sure such an event would never take place again. This includes the passage of the Dodd-Frank Act, which has made critical reforms to the banking industry. Thanks to these efforts, there has never been more confidence in our financial system. One of the most notable leaders to recognize this has been Treasury Secretary Janet Yellen, who recently articulated that "the American banking system is really safe and well-capitalized," further asserting the strength of the industry.

Families in Nevada deserve the chance to buy a property they can proudly call their home. While tough economic times have made it difficult to do so at this moment in time, the Federal Reserve's efforts to tamp down inflation have already contributed to a slowdown in housing prices. Installing higher capital requirements would be detrimental to our greater goal, making it clear as to why this proposal should be turned down.

Thank you,
Chris Miller