

From: Ludwig, Fred <Fred.Ludwig@milwaukeecountywi.gov>
Sent: Saturday, November 04, 2023 9:26 AM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN: 3064-AF29

As the Government Affairs Liaison for Milwaukee County Board Chairwoman Marcelia Nicholson, I am submitting the following comments on her behalf:

To Whom It May Concern:

I have served as a Milwaukee County Board Supervisor since 2016 and as Chairwoman of the County Board for over three years now, during which time I am proud to have sought to improve the lives of our city's hard-working families for the better. This includes seeking to create more equitable economic opportunities for all, no matter your race or background. It has now come to my attention that this goal is in peril due to the proposed rule to have banks increase the amount of capital they hold in reserve.

Even though this regulation appears positive with the intention of bolstering our banks in case of an economic downturn, the reality is that our banks are already prepared for such a scenario. Not only are our banks held to higher requirements than those in the European Union, but they have also passed various stress tests that prove they are well equipped. In addition, economic leaders such as Treasury Secretary Janet Yellen have told the American people that "our banking system is well capitalized...There is adequate capital and liquidity in America's banking system."

Instead, increasing bank capital requirements would further widen the racial wealth gap that communities of color continue to fight against. Banks would seek to reduce their risk portfolio by offering fewer loans at higher rates. This would include mortgages for homes, which have already become much more expensive due to higher interest rates. Furthermore, this regulation would especially set back our communities of color in Milwaukee, where the Black-white homeownership gap is already nearly 30 percentage points and could get worse because of this rule. With homeownership being such a pivotal pathway towards building generational wealth, we cannot finalize regulations that threaten to further widen this racial divide.

Milwaukee has aspired to ensure all communities of all backgrounds can live fulfilling lives in our great city. Even though this includes seeking to ensure everyone has the opportunity to enter the housing market, our work is not yet complete. In order to continue addressing this matter, this unnecessary proposal to increase bank capital requirements must be tabled.

Thank you for your consideration of my comments.

Sincerely,

Marcelia N. Nicholson
Chairwoman
Milwaukee County Board of Supervisors

