



Gaylene LLC

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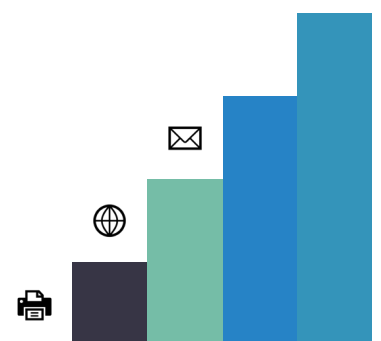
Good day,

As someone who started their small businesses from the bottom up, I understand how tough it can be to make ends meet. This was especially true during the COVID-19 pandemic, in which countless businesses had to close their doors. While the inflation crisis we faced shortly after has managed to subside, many of us are still reeling from the economic downturn it created.

I now reach out to you because I am very worried about the future of small businesses in Virginia and the country if we move forward with a recently introduced bank regulation. Specifically, this rule seeks to increase the amount of capital that banks must hold. Even though such a change may sound reasonable, the reality is that this regulation would create a credit squeeze that small businesses cannot afford. With banks compelled to hold more money in reserve, this would lead them to diminish the number of loans and credit they make available to small businesses. So many of these companies need access to quick financing so they can pay employees and invest in expansion. Without it, they would be left wondering how to fund their daily operations.

Such a drastic reduction in credit access would have dire consequences on businesses of color. Already, studies have shown that 60% of Black businesses owners struggle to obtain sufficient capital to fund their operations. 30% of Latino businesses owners also face the same issue. Now, by increasing capital requirements, this access to funding would get even

worse, putting these businesses of color on the brink of having to let go of employees or even close altogether.





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The leadership of the Biden administration has certainly helped overcome the economic downturn we saw heading out of the COVID-19 pandemic. Now, I ask that you please vote down this rule to protect businesses of color just as they're on the verge of making an economic comeback.

Best.

Gaylene Kanoyton

President, Gaylene LLC

