

From: Sparks-Polk,Monica <monica.sparks@kentcountymi.gov>
Sent: Thursday, December 07, 2023 3:19 PM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN: 3064-AF29

As the Kent County Commissioner representing District 12 in Michigan and a small business owner, I write to express my concerns regarding the proposal to increase capital requirements on banks. While I understand the importance of maintaining a stable financial system, I believe that this proposal is uncalled for.

Banks in the U.S. are already held to higher capital requirements than banks in the European Union. Additionally, our top financial leaders have stated that our banking system is resilient, with Federal Reserve Chair Jay Powell saying that our capital levels are at “multi-decade highs.” This is thanks to the passing of the Dodd-Frank Act in 2008 and federal regulators who have worked to safeguard our banking system.

I believe that implementing higher capital requirements could have detrimental effects on small businesses not only in Michigan but across the country. Small businesses create jobs, foster innovation, and contribute to the vitality of our neighborhoods. These businesses generally rely on banks for financing and access to credit to fuel their growth and operations. Unfortunately, increasing capital requirements for banks would have a cascading impact on small businesses.

Higher capital requirements can force banks to reduce their lending capacity, making it more difficult for small businesses to obtain the necessary funds to start or expand their operations. This would inherently hinder economic growth and job creation. Small businesses may face higher borrowing costs as banks pass on the expenses of meeting capital requirements to their borrowers. This added financial burden can be particularly challenging for businesses with tight budgets and limited resources.

I respectfully request that you take into account the unique challenges and needs of small businesses when formulating and implementing capital requirements for banks. The Biden administration has worked to revitalize our small businesses post-pandemic and it would be counterproductive to implement an increase in capital requirements knowing it would be harmful to our economy.

May heaven smile upon you today!

Monica Sparks

Kent County Commissioner
District 12 Kentwood / Wyoming and a wee little bit of Grand Rapids.
616.813.9397