

**From:** [Schofield, Kim](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] Capital Requirements - RIN: 3064-AF29  
**Date:** Friday, December 15, 2023 11:36:31 AM

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## To Whom It May Concern:

In my capacity as a member of Georgia's House of Representatives, I am dedicated to safeguarding the well-being of my constituents and addressing key issues affecting District 63. My service on the Small Business Development Committee has afforded me valuable insights into the potential repercussions of the current proposal to mandate increased capital requirements for banks. I am writing to express my strong opposition to this measure, as it poses a genuine threat to the accessibility of capital that is essential to small businesses in our community.

As a small business owner, I can personally attest to the numerous challenges that come with starting and scaling a business. If the new capital rules are implemented, banks would face pressure to charge higher interest rates and limit lending opportunities, especially to those borrowers who are considered high risk. This potential restriction in credit access could impact the day-to-day operations of small and new businesses by affecting their ability to make payroll, contribute to the local economy, and execute expansion plans.

The Board must also take into account how minority-owned small businesses would be disproportionately impacted by these changes. Research has shown that persistent gaps in access to financial capital has hindered Black entrepreneurship and ultimately contributed to large racial wealth disparities. For example, the Federal Reserve's 2022 Report on Firms Owned by People of Color revealed that Black and Hispanic-owned businesses are more likely to be labeled a high credit risk. The report also found that firms owned by people of color were less likely than white-owned firms to be approved for loans, lines of credit, and cash advances. Increasing the capital requirements for banks would exacerbate these existing issues and contribute to a legacy of discriminatory lending practices in the United States.

The adoption of this proposal threatens to undo the significant progress achieved by the Biden Administration and the Federal Reserve in promoting economic development in historically marginalized communities. I hope the Board will give due consideration to these concerns and advance policies that reaffirm their commitment to fostering opportunities for all Americans.

Rep. Kim Schofield D-63 (Atlanta, East Point, College Park, Hapeville and Union City)  
o:404-656-0298  
e: [kim.schofield@house.ga.gov](mailto:kim.schofield@house.ga.gov)  
Admin: [marjorie.woods@house.ga.gov](mailto:marjorie.woods@house.ga.gov)