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SUBJECT: RIN: 3064-AF29

As someone who has the privilege of serving as the Mayor of Pontiac, Michigan, and as a former member of the Oakland County Board of Commissioners, I have witnessed firsthand the critical importance of fostering economic opportunities for Michiganders and our businesses. I am writing to express my uncertainties regarding the proposed increase in capital requirements on banks and its potential impact on small businesses and our local economy.

Increasing capital requirements on banks may unintentionally stifle the growth and innovation of these small businesses. Oftentimes, small businesses rely on access to affordable credit to fund their operations and expansion efforts. If banks are required to hold larger capital reserves, they may become less likely to take risks, leading to tighter lending standards and higher interest rates for small business loans. This potential scenario could deter entrepreneurs and small business owners from pursuing their ambitions, hampering economic growth and job creation.

Moreover, increasing capital requirements on banks could have a cascading effect on the broader economy. It may lead to reduced lending to consumers, slowing down consumer spending, and ultimately affecting the demand for goods and services. This, in turn, could have negative consequences for larger industries.

In the wake of rising inflation, the Federal Reserve has worked to stabilize our economy, but if this proposal is adopted, any progress made could be compromised. I ask that you carefully assess the proposed increase in capital requirements on banks, taking into account its potential impact on small businesses and the communities they serve.



Tim Greimel
Mayor
City of Pontiac