



North Carolina General Assembly  
House Of Representatives

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Federal Reserve Board  
Via Electronic Mail

RE: Docket Number: R-1813 RIN: 7100-AG64

In my four years of service in the North Carolina House of Representatives, we have worked tirelessly to support our rural communities. Too often, policy conversations overlook these communities despite our region's farmers' and agricultural leaders' critical role in our societies. Rather than making things easier for them, I worry that the proposal to raise capital requirements will do more harm than good.

Farmers are instrumental in providing everyday goods and services for our state but could become severely limited in their ability to do so under this regulation. Many of them rely on banks for loans to pay off their many expenses, such as bringing in new employees, obtaining the latest agricultural machinery, and developing new plots of land. With 184 North Carolina farms responsible for over 8 million acres of land, it is clear to see how vital this lending system is. However, farmers would struggle to continue their operations under higher capital requirements for banks, who would seek to make it extremely expensive for them to obtain this same funding. Combined with today's higher interest rates, farmers would have little alternatives for funding, leaving them to struggle financially.

We currently have what many consider the most robust banking system in the world. U.S. financial regulators have ensured that since the 2008 banking crisis by developing new stress tests and supervisory mandates that help ensure we never face such a situation again. Federal Reserve Chairman Jerome Powell credits these regulatory changes with producing a banking system where "capital and liquidity levels at our largest, most systemically important banks are at multi-decade highs." With every indicator showing our system works, we shouldn't meddle with it by adding needless regulation.

President Biden and his administration have made generational investments in the future of farming through their work to pass historic pieces of legislation. We must take advantage of the opportunities they have given us to support farmers by stopping these efforts to raise capital requirements.

Sincerely,

Representative Julie von Haefen  
NC House District 36, Wake County  
(Apex, Holly Springs, Cary)

