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To: Comments
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I am writing to express my deep concerns regarding the recent proposed rule surrounding the potential increase in capital requirements for banks. As the Policy Director at the Center for Economic Inclusion, an organization committed to closing racial wealth gaps and fostering an inclusive and equitable economy, I believe it is crucial to advocate for policies that align with these objectives.

While maintaining financial stability and safeguarding against systemic risks are paramount goals for the Federal Reserve, the FDIC and the OCC, it is equally essential to consider the broader socio-economic implications of such policies, especially in the context of racial and economic disparities that persist in our nation. Raising capital requirements for banks could inadvertently hinder progress toward a more inclusive and equitable economy.

In September, The Urban Institute published a paper in which they outline that low to moderate income borrowers and borrowers in communities of color would be at a greater disadvantage if this proposal is put in place. Higher capital requirements could lead to more stringent lending standards, making it harder for individuals and small businesses, particularly those in underserved communities, to access credit. This would exacerbate existing disparities in access to financial resources.

I urge you to engage in a thorough and transparent assessment of the potential impacts of raising capital requirements, particularly on marginalized communities. We must ensure that our policies advance economic inclusion and foster an equitable society and this proposal would not do that.



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