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Sent: Thursday, October 19, 2023 3:25 PM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN: 3064-AF29

I am writing to you in my capacity as a member of the Minneapolis City Council where I represent North Minneapolis. North Minneapolis is a vibrant and diverse community, but it is also a community that has faced its fair share of challenges over the years, particularly in the realms of housing and small business development. Raising capital requirements on banks would exacerbate these challenges and hinder our ongoing efforts to revitalize and uplift our neighborhood.

The proposed increase in capital requirements would likely reduce the availability of credit for potential homebuyers in North Minneapolis. Historically, our community has struggled with affordable housing, and many residents rely on loans and mortgages to secure stable housing options. By imposing stricter capital requirements on banks, the cost of borrowing would increase, making it even more difficult for our residents to access affordable mortgages. This, in turn, would perpetuate housing insecurity and hinder the growth and stability of our community, especially in the case of first time homebuyers who do not have access to generational wealth, as the NAACP points out in their letter to the FDIC, Federal Reserve and the OCC.

Furthermore, raising capital requirements on banks would exacerbate the financial challenges faced by minority-owned small businesses, making it even more difficult for them to secure essential loans and funding. This heightened barrier to capital could hinder their growth prospects, impede job creation, and perpetuate economic disparities within minority communities.

I would also like to highlight that our banks are well-capitalized and have been ever since federal regulators and policymakers strengthened our banking system after the 2008 crisis. Every year, our banks undergo stress tests that have proven they are equipped with more than enough capital to face a crisis. We can also point to COVID as a real-life stress test, in which our banks were able to keep our economy afloat.

Luckily, our economy has bounced back from the pandemic and the Federal Reserve has succeeded in lowering high inflation rates that hurt families who live paycheck to paycheck, but increasing capital requirements would setback this progress. This proposal does not solve anything and instead will create irreversible financial damage to vulnerable communities like North Minneapolis.

LaTrisha Vetaw
Council Member

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[*Why this matters](#)

