

**From:** James Blassingame [REDACTED]  
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[REDACTED]

My faith and missionary work as pastor has guided me in my work to improve our community here as Sumter City Councilman. It has allowed me to better understand the needs of our residents and neighbors across the region, especially with it being such a financially tenuous time. Things still remain expensive for everyday families here, especially as it relates to buying a home or starting a business. These things could become even more difficult to afford now that a new regulation is being considered to raise capital requirements on banks.

Housing affordability would plummet to even further all time lows under the proposal that is being considered. Raising capital requirements on banks would cut the number of mortgages being offered, making it harder to obtain the financing necessary to buy a house. Communities of color would be particularly harmed by this. According to an analysis by the National Association of Realtors, Black Americans are already denied mortgages at a 20% rate, nearly double that of White Americans. While South Carolina is currently one of the leading states for Black homeownership, I fear we may quickly lose this position by increasing capital reserve requirements.

Similar consequences would occur to our small businesses here in Sumter. Many of these stores have been family owned for years and rely heavily on banks to provide them with the necessary capital they need to keep their doors open.

This can include expenses such as store rent, insurance costs, among other things. If we finalize the aforementioned regulation, this financing will immediately be cut off, as banks would reduce the banking services that they provide to try and cut costs. More than 40% of South Carolina's workers are employed by small businesses, meaning this decision would harm a large portion of our state's economy.

Members of the Biden administration understand how important it is to support small businesses all across America. We can look to their recent record share of federal contracts going to small businesses for clear evidence of this. Let's keep this progress and growth going by ensuring we don't create our own credit crunch from requiring higher capital requirements.