

## Mary Sue Terry



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### To Whom It May Concern:

When I became the first woman elected to statewide office in Virginia nearly 40 years ago, it became my responsibility to ensure all voices across the state were fairly heard and represented. This includes everything from our rural farms out in Patrick County to the mom-and-pop stores in Richmond. These critical economic hubs could now be in danger to the recently proposed rule to raise capital requirements for banks.

Our state's farms and agricultural organizations would undoubtedly face the economic consequences of this rule. The regulation would lead banks to raise their borrowing costs and make it more difficult to obtain capital. The 41,500 Virginian farms that cover 7,700,000 acres rely on this for agricultural expansion and to purchase new equipment. In the long run, the absence of this credit access would increase expenses for farmers, raising costs for consumers down the line. With the battle against inflation on the verge of being completed, we must continue to prioritize policies that lower costs of everyday Americans, rather than raise them through regulations that increase bank capital requirements.

Small businesses throughout Virginia will also have to deal with the financial backlash of raising capital requirements. Just like our farmers, our small businesses rely on banks for access to financing for critical services, such as payroll and utilities. If banks begin to limit the capital they provide them, this will create a major economic void for family-owned businesses that have existed for decades, as they would be unable to pay for critical expenses. With our Commonwealth being home to over 780,000 small businesses, this regulation could greatly hinder our local economy.

It cannot be emphasized enough that the Federal Reserve's decisive action helped pull our state and our country back from the brink of a recession. Their policies have supported our rural communities and small businesses at a time when they needed it the most. To further provide them with the support that they need, we must look to reject any proposal that raises capital requirements and harms our economic prosperity.

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