

**From:** Rep. Greg Scott <RepScott@pahouse.net>  
**Sent:** Friday, November 03, 2023 3:03 PM  
**To:** Comments  
**Subject:** [EXTERNAL MESSAGE] Comment on proposed FDIC regulation. RIN: 3064-AF29

To whom it concerns,

My first year as an elected official within the Pennsylvania House of Representatives has made it clear just how much work still has to be done to support our state's families. That includes communities here in the Philadelphia suburbs, who have had to make tough financial decisions as they deal with the aftermath of last year's inflation crisis. While things have improved thanks to the work of the Federal Reserve, I am worried that we may be doing further economic damage by considering a regulation that seeks to raise capital requirements on banks.

The issues created by increasing capital requirements extends to our small business community. Many of them managed to stay open despite the lingering effects of the COVID-19 pandemic and historic inflation, thanks to their ability to consistently access credit from banks. It enabled them to continue paying their rent and their employees. This capacity to quickly obtain funding is now at risk under the proposed regulation, as banks would seek to downsize the number of approved borrowers to shorten their portfolio risk. It would tighten access to capital and could leave small businesses without the loans they need to keep their doors open.

I appreciate the work that the Federal Reserve has done to try and bring back inflation to normal, 2% levels. Even though we are on the cusp of finally doing so, we should not toss a capital requirements regulation into the mix and expect it not to have an economic impact. Instead, we should stay the course and reject any such proposal that threatens our return to economic normalcy.



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