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Committees:

Ethics
Judiciary, 2nd V.C.

House of Representatives

State of South Carolina

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To Whom It May Concern:

As an African American elected official serving in the South Carolina House of Representatives, it is my duty to promote policies that empower our communities of color. With one of the nation's highest percentages of African Americans, our state holds great responsibility in addressing the longtime policies that have set us back for generations. Today, I am alarmed that we may be moving in the wrong direction to support African American communities by potentially passing a regulation to increase bank capital requirements.

This regulation would directly harm African American owned small businesses across South Carolina. Under our current economic set up, many of these small businesses rely on banks to issue loans that help cover several financial expenses. However, raising capital requirements would lead banks to cut the number of loans and financial services that they offer. This would leave African American owned businesses on the short end of the stick, who statistically face greater challenges in obtaining the necessary capital for their businesses. Combined with this new regulation, it would be nearly impossible for African American businesses to keep up with everyday costs and could force them to close shop.

The same economic consequences would also apply to African American families looking to buy their first home. We all know how bad the current housing market is and South Carolina is no exception, where prices have gone up more than \$100,000 compared to five years ago. This affordability issue would only worsen with this new bank regulation, as financial institutions would reduce the number of mortgages they offer while raising their minimum requirements. With only 46% of all African Americans owning their home compared to 75% of White Americans, these bank changes would further expand this disparity and hinder our communities of color from being able to become homeowners.

The African American community deserves the same, equitable opportunities to build wealth and change the future of their generations to come. While the Biden administration has done honest work to support

this goal, moving forward with increasing bank capital requirements would not. I ask that you put people over policy and reject this proposal.

Thank you for your time and attention to this very important matter.

Sincerely,

