

From: Danny Nelson [REDACTED]
Sent: Friday, December 01, 2023 5:08 PM
To: Comments
Subject: [EXTERNAL MESSAGE] RIN: 3064-AF29

[REDACTED]

My name is Danny Nelson, and I am a Director at PFM Asset Management LLC ("PFMAM"). At PFMAM, I work to assist municipal governments, school districts, and other public authorities in managing their investments and implementing sound financial strategies to secure their fiscal futures. I am writing to express my concerns about the potential negative impacts that raising capital requirements on banks could have on our clients and the communities they serve.

While we recognize the importance of maintaining a robust and stable banking system, raising requirements is just not necessary. Our banks have more than enough capital, with Federal Reserve Chair Jay Powell confirming that "our largest, most systemically important banks are at multi-decade highs" in capital and liquidity levels.

An increase in capital requirements may be detrimental to our clients because it would lead to reduced access to credit, increased borrowing costs, deter economic growth and present budgetary constraints. For example, higher capital requirements may lead banks to reduce lending to local governments and public authorities. This could result in reduced access to credit for vital infrastructure projects, school expansions, and other public investments necessary for community development.

We must keep in mind that such ill-planned proposals have serious consequences. I urge you to carefully consider the potential adverse effects of raising capital requirements on banks. Striking a balance that ensures financial stability while also allowing banks to support the financial needs of our public sector clients is crucial for the well-being of all of our communities.

Sincerely,
Danny Nelson

[REDACTED]