

December 11, 2023

Subject: Capital Requirements

To: FDIC RIN 3064 -AF29

Being the mayor of a small town like Toomsboro is both challenging and deeply rewarding. My commitment to advocating for my constituents goes beyond the local sphere; it involves amplifying the voices of rural communities in a broader way. In the spirit of that, I am writing to you to express my firm opposition to the proposed increase in capital requirements for banks.

The imposition of higher capital requirements on these banks could result in increased costs, reducing banks' willingness to lend and leading to higher interest rates for small businesses and individuals in rural areas. This potential financial constraint poses a significant threat to the growth and prosperity of Toomsboro by making it more challenging for us to attract new businesses and retain existing ones. It is also important to note that communities of color would be disproportionately impacted by this new rule. Minority communities already face a number of challenges when it comes to securing loans for education, housing and businesses. Passing this proposal would exacerbate those conditions, causing further harm to disenfranchised groups and widening the racial wealth gap.

Additionally, our banking system has been fortified by federal regulators, who after the 2008 crisis, have worked to ensure that the system is protected. Federal Reserve Chair Jay Powell has even stated that our banks are at "multi-decade highs" in the capital. On top of that, our banks are already held to higher capital requirements than banks in the European Union. All of this points to how unnecessary this proposal truly is.

This new rule threatens to impose an unaffordable cost on small towns like mine. I strongly urge you to reconsider the implementation of heightened capital requirements given the negative impact it could have on our communities.

Sincerely,

Joyce Denson

Mayor Joyce Denson
Town of Toomsboro