

From: [REDACTED]
To: [REDACTED]
Subject: [REDACTED] RIN: 3064-AF29
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To the FDIC

As the Executive Director of Wisconsin Faith Voices for Justice, I am writing in opposition to the proposed rule to enact new capital reserve requirements on banks, which will reduce the number of loans they will be able to offer, including mortgages. As people of faith, the members of Wisconsin Faith Voices for Justice believe housing is a human right. We also recognize that the ability to own your own home has too often been denied communities of color due to discriminatory lending practices. Affordable housing is currently at a crisis point in our country, no less so in Wisconsin, where there is a shortage of affordable and available homes for low income households. While we work hard to advocate for affordable housing for all, this goal will become much more elusive if new bank reserve requirements are set in place.

Low income families in Wisconsin face many challenges in being able to access affordable housing. According to the National Low Income Housing Coalition, many low income families spend more than half of their income on housing. This prevents them from being able to purchase other everyday necessities, such as healthy food and healthcare expenses, among other things. To help address this issue, banks have offered affordable mortgage options so that low income communities can escape the cycle of renting and begin to build equity for themselves. Doing so has changed the lives of countless families here in our state, enabling them to invest money in their homes and set up generational wealth.

However, allowing for the new capital reserve requirements to go through would hamper the progress low income families have made in owning their own property. The regulation will force banks to cut back on the number of loans they offer, including their affordable mortgage options. It means that any family previously hoping to obtain this housing loan would find it more difficult and more expensive to obtain, cutting off their hopes of purchasing their own home. The impact of this rule would not only apply to low income families searching for their first home, but would also extend to communities of color, who are already more likely to have their mortgage application denied compared to white applicants. In essence, the regulation would leave many families on the outside of the housing market looking in.

In response to the increasingly difficult housing market much of the country is facing, the Biden administration has continued to make major investments and policy changes to increase housing supply and create a fair market. Still, if we allow this new bank regulation to take effect, we would be undoing this good work. Please help make housing more attainable for all by rejecting this rule.

Faithfully,

Rabbi Bonnie Margulis

Executive Director
Wisconsin Faith Voices for Justice

