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MICHIGAN HOUSE OF REPRESENTATIVES

JIM HAADSMa
STATE REPRESENTATIVE

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To whom it concerns,

As a member of the Michigan House of Representatives, I have acquired a deep understanding of the challenges confronting my community and that is why I feel compelled to voice my opposition to the proposed increase in capital requirements for banks. If implemented, these rule changes pose a significant threat to our small businesses, infrastructure projects, and community investments. I am especially concerned that minority communities would bear the brunt of these negative impacts.

The proposal is expected to increase required capital by approximately 20% and would have a drastic impact on diverse communities, minority-owned smaller and mid-sized businesses, rural communities, consumers, and the economy as a whole. Minority-owned small and mid-sized businesses would likely pay higher interest rates for loans and see reduced opportunities to borrow. This could lead to a decline in entrepreneurial activity, reduced job creation, and a slower pace of economic growth.

New capital requirements may discourage investments in crucial infrastructure projects, as higher capital costs could make these projects less financially viable. As a result, necessary improvements in transportation, clean energy, and public facilities may be delayed or not pursued at all.

Heightened capital requirements could damage the very foundation of our communities through unintended consequences. Mortgage borrowers, particularly first-time homebuyers with smaller down payments, would face challenges obtaining a mortgage and would see higher costs. This would have a direct impact on African American and Latino homeownership. Regular people buying cars would also see added costs and reduced availability due to higher capital requirements for these loans.

The far-reaching consequences of this proposal – from stifling small businesses to impeding crucial infrastructure development – demand a reconsideration of these regulations. I urge the Board reconsider this proposal due to the harm it would cause to my constituents and others nationwide.

Please don't hesitate to reach out to my office at jimhaadsma@house.mi.gov or 517-373-2616 if you have any questions or would like to discuss this further.

Respectfully,

[Redacted Signature]

Jim Haadsma
Michigan State Representative, 44th District