

March 16, 2020

INTRODUCTION

This morning, the Independent Bankers Association of New York State held a conference call to provide updates on issues related to the coronavirus (covid19) and the potential impact on New York community banks, their customers, their employees and their communities. We also received comments and input from bankers on their responses to this rapidly changing situation, including changes to their operations, policies and procedures they have either already implemented or are considering. The call also included an update from IBANYS Legislative Counsel Bill Crowell on the status of state legislative activity in Albany and a look at what may happen in the future.

SUMMARY OF CALL

IBANYS President Witkowski convened the call and specified the purpose was to provide an overall update on the situation and on what IBANYS is doing, and to listen to questions, concerns and updates from the banks. President Witkowski noted the many actions already taken by the federal, state and some local governments (declarations of national and state emergencies; guidance on limits as capping the number of people allowed at public gatherings; closings of schools, colleges and universities, restaurants, sporting events, etc.)

In Albany, the State Legislature decided to eliminate passage of one-house budget bills by the State Senate and Assembly, and last Friday moved directly into final budget negotiations with the Governor's office. Once that process is complete and the budget is enacted, it is unclear whether or when any other legislative activity may be taken up. The situation is fluid, and no one is certain when the Legislature might return after the budget is completed. (With 150 members of the Assembly and 62 in the State Senate, and the attendant staff required to operate sessions, the number would exceed the public gatherings cap.) The Governor has emergency powers so the Legislature's presence in Albany would not be necessary, but it could be summoned as needed. To date, two Assembly Members (Charles Barron and Ways and Means Committee Chairwoman Helene Weinstein, both from Brooklyn) have tested positive for the coronavirus

The New York State Department of Financial Services (DFS) has issued four industry letters for state regulated banks regarding the coronavirus. They include:

- 1.) DFS Relief order
- 2.) Operation Risk Guidelines
- 3.) Financial Risk Guidelines
- 4.) Support for Business Guidelines

These letters are attached for your review.

In Washington, the U.S. House is out on recess. The Senate is expected to meet to pass the coronavirus legislative package, then may also leave Washington. Public

access to the capitol buildings has been banned in both Albany and Washington, and no lobbying is being allowed. Negotiations are now only conducted remotely. The U.S. Supreme Court has postponed some scheduled oral arguments for the first time since 1918.

The federal/state governments are expected to address concerns regarding issues related to unemployment and hourly wage employee concerns.

BANKS' QUESTIONS, COMMENTS & INPUT

It was noted that banks will likely remain open even in a scenario where other businesses being closed. The issues of employee protection and support were prominently discussed.

--Some banks on the call may consider providing drive-through service only at some branches, to go along with digital/online banking services.

--Bank branches with no drive-through or ATM facilities could consider asking other nearby banks to make arrangements, e.g., involving the waiving of foreign ATM fees

--Some banks may consider reduced hours, e.g., closing branches on Saturdays

--Some banks are rotating or dividing their operations and customer care staffs to different locations (e.g., in their operations centers) to ensure that they are not all in one facility together run the event of exposure.

-- Banks do not anticipate reducing their customer service hours over the telephone

-- Some banks are conducting loans by appointment only

--Some banks are considering or have already moved to requiring interest only payments on loans during the crisis.

IBANYS will keep New York community banks fully informed and up-to-date as this fluid situation continues to evolve. We will provide updates on an ongoing basis as new information becomes available or additional developments require. We will be also schedule additional conference call updates as needed.

Thank you for your support and participation.

LATEST FROM ICBA

ICBA coronavirus exercise, online course available now

ICBA community bankers can access a recording of a webinar-based exercise to help practice technology and cybersecurity resiliency plans amid the coronavirus outbreak. Available on ICBA's [Crisis Response and Preparedness Center](#), the “Sprint Exercise” co-sponsored by ICBA focuses on large-scale work-from-home scenarios to help institutions examine their incident-response plans and share best practices. The page also features an online course offering simple steps to help individuals stay healthy and prevent the spread of the virus, also known as COVID-19. Additional information about COVID-19 from FS-ISAC, federal regulators, and international organizations is also available.

During a [White House meeting](#) with President Donald Trump and other bank leaders on Wednesday, ICBA President and CEO Rebeca Romero Rainey said community banks are supporting their communities during the outbreak. Following the meeting, said community banks have pandemic business resiliency plans in place and are well-capitalized and well-positioned to continue serving local communities.

Community bankers who have questions or need assistance can contact ICBA at crisisresponse@icba.org.

FDIC: Work with customers affected by coronavirus

The FDIC encouraged financial institutions to take prudent steps to assist customers and communities affected by coronavirus, or COVID-19.

In a [Financial Institution Letter](#), the FDIC said it recognizes the outbreak could pose significant temporary business disruptions and it will work with affected institutions to reduce burdens. Prudent efforts to modify the terms on existing loans for affected customers will not be subject to examiner criticism, it said.

The FDIC launched a [COVID-19 webpage](#), encouraged financial institutions with questions to contact their FDIC regional office, and said customers can be directed to contact the FDIC toll free at 800-ASK-FDIC or 877-275-3342.

Federal and state financial regulators [last week said](#) they will provide appropriate regulatory assistance to affected institutions and recognize potential staffing shortages. They previously issued an [interagency statement](#) with updated guidance on how to minimize the potential adverse effects of a pandemic.

These and other resources on COVID-19 are available on ICBA's [Crisis Response and Preparedness Center](#). Community bankers who have questions or need assistance can contact ICBA at crisisresponse@icba.org.