

March 26, 2020

To: New York Community Banks:

The information below covers a summary of the Stimulus bill, ICBA updates and, more importantly, provides registration information for webinars from ICBA (11am Friday) and Interagency Webinar (2pm on Friday).

We have been in contact with DFS and OCC to respond to questions raised by our NYS community banks. As soon as we hear back, we will send an update to all.

Stay well everyone.

John

### **Senate Approves Economic Stimulus/Emergency Relief Package -- Includes Help For Community Banks**

The Senate has voted 96-0 to approve bipartisan economic stimulus legislation responding to the coronavirus outbreak, and it includes a number of measures designed to help community banks that were advocated for by ICBA. with ICBA-advocated measures. The bill is expected to pass the House and be signed into law by President Donald Trump. ICBA President & CEO Rebeca Romero Rainey stated: "After working tirelessly to advocate for measures that help America's households and small businesses, ICBA and the nation's community banks thank policymakers for including critical measures and resources in the stimulus deal that support the economy and provide access to credit."

### **The Senate bill includes ICBA-advocated policies to:**

- Enhance the Small Business Administration's 7(a) loan program,
- Advance net-operating-loss tax relief,
- Increase the amount of interest expenses businesses may deduct on their tax returns,
- Ensure robust FDIC deposit insurance coverage,
- Delay implementation of the Current Expected Credit Losses accounting standard,
- Provide temporary relief from troubled-debt-restructuring classifications,
- Reduce the Community Bank Leverage Ratio from 9 percent to 8 percent during the COVID-19 emergency, and
- Support livestock and specialty crop producers.

...To Read The Text of The Full 880-Page Senate Bill: <https://politi.co/2JcwVyx> ...

**New York Officials Comment On Senate Bill:**

- Governor Cuomo criticized the bill as a “drop in the bucket” for New York, which he said is looking at a revenue shortfall of as much as \$15 billion. His office noted: "Based on initial reports, New York State government gets approximately \$3.1 billion. As a percent of our total state budget -- 1.9% -- it is the second lowest amount in the nation. Literally 48 states get a higher percentage in funding than New York State. . . This is despite the fact that New York State is incurring the greatest costs as we have the highest number of cases in the country. . .Compounding this inequity is the fact that New York State contributes more to the federal government than any other state in the nation. It is just another case of politics over sound policy."
- Senator Schumer: "This emergency aid package is just the kind of medicine that New York needs. . .there are tens of billions more. We'll probably get over \$100 billion once the money for the hospitals and small businesses and other types of things are there."
- Senator Gillibrand: "With this economic package, New Yorkers have more help on the way," said Sen. Kirsten Gillibrand, the state's junior senator. "This economic package will deliver a surge of protective equipment and resources to New York hospitals and first responders, and put real dollars in New Yorkers' pockets."

#### **Need Clarity From Small Business Administration Disaster**

IBANYS joins with ICBA in urging the Small Business Administration (SBA) to issue timely and clear guidance upon enactment of the coronavirus stimulus package so lenders can efficiently disburse funds through loans. The **legislation includes \$350 billion for a temporary, expanded SBA 7(a) loan program** aimed at providing small businesses with funds for critical items such as payroll, rent obligations, and utilities. It **also allows nearly any lender to become a 7(a) lender and includes \$17 billion for small businesses with existing 7(a) loans.**

. . .**From The Small Business Administration: New SBA Loan Program: What You Need To Know & How To Apply**The Small Business Administration (SBA) has authorized disaster assistance loans for small businesses impacted by the Coronavirus. The SBA is working directly with state governors to provide targeted, low-interest disaster recovery loans to small businesses severely impacted by the virus. There are new relaxed criteria for faster, easier qualification and statewide access following an economic injury declaration from the state. Once a declaration is made, the information on the application process for Economic Injury Disaster Loan assistance will be made available to affected small businesses within the state. Thanks to UHY LLP for this summary:

**To find out about the steps to take to apply.** <https://uhy-us.com/insights/2020/march/new-sba-loan-program-what-you-need-to-know-and-how-to-apply>

ICBA tomorrow is hosting another **Community Bank Briefing** focused on the coronavirus pandemic and the impact on community banks. Scheduled for **11 a.m.** (Eastern time), the interactive webinar will provide an overview of the federal banking agency response and include time for questions. To register, please click on the link below:

[https://myicba.icba.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg\\_evt\\_key=151ea597-0af3-42b9-9f06-](https://myicba.icba.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg_evt_key=151ea597-0af3-42b9-9f06-)

[ceb953aecab7&RegPath=EventRegFees&FreeEvent=0&Event=Webinar&utm\\_source=Informz&utm\\_medium=email&utm\\_campaign=Informz%20Email%20Campaign&zs=4jQgU&zl=uIS22](http://ceb953aecab7&RegPath=EventRegFees&FreeEvent=0&Event=Webinar&utm_source=Informz&utm_medium=email&utm_campaign=Informz%20Email%20Campaign&zs=4jQgU&zl=uIS22)

- **A recording of last week's ICBA briefing and additional resources remain available** on the **Crisis Response and Preparedness Center**. The resource center also features a survey that allows community bankers to share how they are helping their communities amid the coronavirus outbreak to educate policymakers, news media, and the general public. Community bankers who have questions or need assistance can contact ICBA at [crisisresponse@icba.org](mailto:crisisresponse@icba.org).

### **Federal Regulators Delay March 31 Call Reports For 30 days**

Federal regulators permitted banks to delay filing their March 31 call reports for 30 days.

The **Federal Financial Institutions Examination Council** encouraged financial institutions to contact their primary federal regulator ahead of the official filing date if they anticipate a delayed submission. The FFIEC members also said financial institutions have built up substantial levels of capital and liquidity over the past decade, positioning them well to support the needs of households and businesses. The agencies said they will provide guidance on how to identify workers as essential critical infrastructure workers. (ICBA this week posted a template letter for community bank employees affirming that they are essential workers according to guidance from the Departments of Homeland Security and Treasury. It and additional resources are available on ICBA's [Crisis Response and Preparedness Center at ICBA.org](#).

### **OCC Publishes "FAQs" On Coronavirus**

The Office of the Comptroller of the Currency (OCC) has published frequently asked questions (FAQs) for banks and bank customers related to COVID-19. The FAQs for banks feature discussions of bank operations, cash management, working with customers, and more. **These and other resources are available on the OCC's Covid-19 webpage:** <https://www.helpwithmybank.gov/get-answers/covid-19/faqs-covid-19.html>

### **Federal Regulators Webinar Tomorrow On Interagency Statement On Loan Modifications & Reporting**

Federal financial services regulators are scheduled to **host a webinar** tomorrow on the Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus. Scheduled for 2 p.m. (Eastern time) tomorrow, the webinar will discuss prudently working with borrowers affected by COVID-19. Participants are encouraged to submit questions in advance.

Thank you for your continued support and participation. We will continue to update you as additional information becomes available.

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