

March 27, 2020 Update

House Passes, President Signs \$2.2 Trillion Legislative Package

The U.S. House passed the \$2.2 trillion coronavirus stimulus bill via a voice vote this afternoon, and President Trump plans to sign the bill into law today. There has already been discussion about a Phase 4 stimulus bill. Economists predict it is likely another stimulus bill may be needed to jumpstart the economy after the virus outbreak has been contained, and that a second significant spending bill will be needed as well. The Senate is now on an extended recess through April 20. Members of the House will also work from their home districts. House and Senate leadership are still determining whether new procedures need to be put in place to allow lawmakers to govern remotely during the pandemic

ICBA's Summary Of "CARE ACT" Provisions To Help Community Banks

ICBA has released a summary of the ICBA-advocated provisions in the Senate-passed Coronavirus Aid, Relief, and Economic Security Act. The Senate approved it earlier this week, and the House passed it this afternoon. The President is expected to sign it today. which the is expected to pass the House and be signed into law as soon as today. **To read the summary, please click on the link provided below:**

https://www.icba.org/news/news-details/2020/03/26/community-bank-provisions-of-the-cares-act?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=GRX22

The legislation includes several ICBA-advocated measures to help community banks support their communities. It would:

- 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.

ICBA is encouraging regulators to issue guidance to answer open questions regarding the details of these provisions and will continue to keep community bankers informed of these developments. **Additional information and resources about the COVID-19 response are available on ICBA's Crisis Response and Preparedness Center at:**

[https://www.icba.org/news/Crisis-](https://www.icba.org/news/Crisis-Preparedness?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=HRX22)

[Preparedness?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=HRX22](https://www.icba.org/news/Crisis-Preparedness?utm_source=informz&utm_medium=email&utm_campaign=informz&zs=4jQgU&zl=HRX22)

OCC Update On Condition Of Federal Banking System & The Response To Covid-19

Comptroller of the Currency Joseph M. Otting made the following statement during today's Financial Stability Oversight Council meeting regarding the condition of the federal banking system and its response to the COVID-19 national emergency: The Comptroller noted the banks OCC oversees hold nearly 70% of all assets in the nation's commercial banking system; provide tens of trillions of dollars in retail and commercial credit; remain open for business; continue to lend and support their depositors, and remain capable of serving the needs of households and businesses across the nation. Otting reiterated the federal banking system is a source of strength for the national economy, both in the near and long term. The Comptroller also stated:

- OCC took additional steps to ease pressure on short-term investment funds by authorizing banks to extend maturities on those funds in response to COVID-19.
- OCC also joined federal and state bank regulators to provide information on loan modifications and troubled debt restructuring, making it clear to banks that regulators will not criticize institutions for prudently working with customers affected by COVID-19, and regulators will not direct supervised institutions to automatically categorize loan modifications as troubled debt restructurings.
- OCC has provided guidance to banks that now is the time to use the strength they have built over the last decade. Supporting customers includes easing terms on new loans and modifying or restructuring existing borrower debt obligations because of temporary hardships resulting from COVID-19-related issues.
- OCC also has provided more incentive for banks to support community relief by temporarily expanding Community Reinvestment Act (CRA) credit for retail lending, community development activities, and services that support communities' responses to COVID-19.
- OCC continues to discuss other topics important to the industry and nation, including small-dollar lending, CECL, and appraisals for commercial loans. OCC wants to be clear that banks have the flexibility and authority to adjust hours and provide alternative service options that meet customer needs and to manage their unique circumstances related to COVID-19.

To read the full release, please click here: <https://www.occ.gov/news-issuances/news-releases/2020/nr-occ-2020-41.html>

Federal Regulators Urge Financial Institutions To Offer Responsible Small-Dollar Loans To Consumers & Small Businesses In Response To COVID-19

Federal regulators encouraged financial institutions to offer responsible small-dollar loans to consumers and small businesses in response to COVID-19. The agencies said institutions can offer such loans through various structures, including open-end lines of credit, closed-end installment loans, or appropriately structured single-payment loans. They also encourage institutions to consider workout strategies for borrowers who experience unexpected circumstances and cannot repay a loan as structured.

<https://www.fdic.gov/news/news/financial/2020/fil20026.html>

OCC Issues Revised "Interest Rate Risk" Booklet

The revised booklet incorporates and reflects applicable statutes and regulations, guidance, and examination procedures. The booklet includes information from interagency guidance and OCC issuances published since the previous publication of this booklet. To review the publication, please click on the link provided below:

<https://www.occ.gov/news-issuances/bulletins/2020/bulletin-2020-26.html>

UHY Summary Of Tax-Related Provisions In "CARES" Act

The Coronavirus Aid, Relief and Economic Security Act -- passed by the Senate on Wednesday and expected to be passed in the House today -- contains many provisions including small business loans, help for distressed sectors, and both health and tax provisions. **Click on the link provided below** for a summary of the tax related provisions of the CARES Act from UHY LLC..

<https://uhy-us.com/insights/2020/march/senate-passes-cares-act>

Latest On Jobless Claims In New York State

More than 80,500 jobless claims were filed in the last week in New York, according to the state Department of Labor, amid the deepening public health crisis surrounding the coronavirus pandemic. The initial increase for unemployment insurance is a 520 percent rise. Each of the state's 10 labor markets saw a minimum 284 percent spike in unemployment insurance claims, state officials said. That number is likely an undercount: Many people who have lost their jobs either have not qualified for unemployment insurance or could not get through the jammed phone lines to file a claim. Nationally, a record 3.3 million applied for unemployment benefits last week, the Labor Department said Thursday -- the biggest jump in new jobless claims in history, surpassing the record of 695,000 set in 1982.

Moving Toward Remote Voting In New York State Legislature

The New York State Senate and Assembly are reportedly preparing to implement remote voting at the state Capitol. A video system has been set up in the Assembly, with expectations that the Senate may follow suit. It is unclear whether voting for the state budget would be done this way, or if the process is for use as needed in the following weeks and months.

Thanks for your continued support and participation. We will continue to provide updates as additional information comes available. Stay safe!

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