

Wednesday, April 22, 2020 (#2)

To: New York Community Banks

We have a few updates to share with you tonight, including comments from Treasury Secretary Mnuchin on the PPP and reopening the economy, the Federal Housing Finance Administration on Fannie and Freddie buying loans in forbearance, Governor Cuomo's perspective on state finances in light of COVID-19 (and his daily presentation) and news about a webinar tomorrow morning at 11 a.m. hosted by Meyer & St. John on strategies on rebuilding your business model.

More to follow tomorrow.

Best Regards,

John

Mnuchin: Larger Companies May Face Investigation If They Can't Certify They Qualify For Coronavirus Rescue Money

Treasury Secretary Mnuchin warned larger companies could face investigation if they apply for small business coronavirus rescue money without carefully reviewing whether they qualify for it. He said it was "questionable" whether some larger companies could make the certifications necessary for the Paycheck Protection Program, and firms needed to look carefully at the certifications they make to the Treasury and the Small Business Administration to get forgivable loans of up to \$10 million. In the SBA application form, companies need to certify that "current economic uncertainty makes this loan request necessary to support the ongoing operations of the applicant." Mnuchin said if companies apply and later decide that they cannot make certifications that the money is necessary and "pay back the money quickly, there will be no liability to Treasury and the SBA. . . If they don't, then they could be subject to investigation."

- Mnuchin also noted he believes most, if not all, of the U.S. economy should be reopened by later in the summer, and that the United States will spend "what it takes" to combat the coronavirus pandemic. He also said that he is "sensitive" to adding to the country's debt. https://thehill.com/policy/finance/494094-mnuchin-on-coronavirus-funding-we-need-to-spend-what-it-takes?mkt_tok=eyJpIjoiTTJZek1HRm1NRE5sTmlobCIsInQiOiJEM2c5NFc2WHNGVUFjQkVCWld4bWRSS1VKcWI4bkRQOGc2ZU5oeGg3bWNxSlpUVGdINStpRVlVUVj6MDNkcEVxcUpUdmRLdHZTbEY1dDFMMWZTRTIURHV aTzhaT1ZuYUNja2ljSFpBRG5mYjc0enlHaHN SVGIHWEFsRIJvT1hCYSJ9

FHFA To Allow Fannie, Freddie To Buy Home Loans In Forbearance

The Wall Street Journal reported that the Federal Housing Finance Agency will allow Fannie Mae and Freddie Mac to buy home loans that recently entered forbearance and to charge high fees that could diminish interest from lenders in doing so. The new policy will apply to mortgages used to purchase new homes and some refinanced mortgages that were set to be sold to the mortgage giants before borrowers stopped making payments shortly after.

https://www.wsj.com/articles/housing-regulator-takes-step-to-ease-crunch-at-mortgage-finance-companies-11587563251?mod=lead_feature_below_a_pos1&mkt_tok=eyJpIjoiTTJZek1HRm1NRE5sTmlobCIsInQiOiJEM2c5NFc2WHNGVUFjQkVCWld4bWRSS1VKcWI4bkRQOGc2ZU5oeGg3bWNxSlpUVGdINStpRVlVUVj6MDNkcEVxcUpUdmRLdHZTbEY1dDFMMWZTRTIURHV aTzhaT1ZuYUNja2ljSFpBRG5mYjc0enlHaHN SVGIHWEFsRIJvT1hCYSJ9

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Governor, State Face Tough Financial Choices For New York -- And, Soon

The "Stimulus 3.5" legislative package does not include direct federal aid to states or local governments. Governor Cuomo left a Tuesday meeting at the White House noting: "The president says he's going to

work very hard in the next piece of legislation.” That could help the state in the long term, but may not prevent the Governor from having to make some tough choices in the near future. He has already said that 20% cuts to hospitals, public education and local governments could happen in the absence of additional federal aid – and the first official sign of those cuts could be realized in an updated spending plan expected to be released this month. While some short-term borrowing appears to be on the table, spending cuts appear to be the governor’s preferred approach to address the looming fiscal crisis. The state will also have to wait until July to receive as much as \$10 billion in tax revenues because the state tax filing deadline has been pushed back, according to State Comptroller Thomas DiNapoli.

..To access Governor Cuomo's briefing, click the following link:

https://www.scribd.com/document/457765263/NYS-Gov-Andrew-Cuomo-April-22-Coronavirus-Presentation?utm_source=First+Read+Newsletters&utm_campaign=70fb3eb6d9-EMAIL_CAMPAIGN_2020_04_22_04_59&utm_medium=email&utm_term=0_252d27c7d1-70fb3eb6d9-34718972&mc_cid=70fb3eb6d9&mc_eid=e55c2af3e3

..For more numbers, including the latest statewide and borough-by-borough statistics, click the link below:

https://www.cityandstateny.com/articles/politics/new-york-state/new-coronavirus-numbers.html?utm_source=First+Read+Newsletters&utm_campaign=70fb3eb6d9-EMAIL_CAMPAIGN_2020_04_22_04_59&utm_medium=email&utm_term=0_252d27c7d1-70fb3eb6d9-34718972&mc_cid=70fb3eb6d9&mc_eid=e55c2af3e3

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"The Light at the End"

Strategies To Rebuild Your Business Model -- Tomorrow (Thursday, April 23) At 11:00 AM Webinar Presented By St. Meyer & Hubbard, Inc.

This too shall pass. When is certainly in question. *If*, is not. . . **The time to develop strategies to employ when we come back into the light is NOW. Join us on Thursday, April 23 as three experts share what to do, how to do it and how to accomplish it all with trust.** Speakers will include: Mary Beth Sullivan (Capital Performance Group), Chris Nichols (Center State Bank) and Charles Green (The Trusted Advisor).

- We'll discuss the role of Executives and financial services leaders in this effort.
- We'll provide practical ideas for Chief Marketing Officers.
- We'll discuss how to deepen relationships with consumer and business clients through trust-based conversations and interactions.

CEOs & Senior Executives to Branch Managers. Banks and Credit Unions. Big and Small. Urban and Rural. There's something here for everyone, because we're all in this together. Click on the link provided below to register for this practical program. Can't make it live? Register anyway and we'll get you the recording to share with your team.

https://zoom.us/webinar/register/WN_YvCUKsNzRsa7P_7klzqSsA?inf_contact_key=5f2e787729721e0dee181a17a516e499680f8914173f9191b1c0223e68310bb1

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IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

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