

Tuesday, May 19, 2020 (Update # 3)

To: New York Community Banks

### **New SBA Paycheck Protection Program (PPP) Report**

A new report (see attached) was released from SBA, which covers PPP loans approved through May 16, 2020. It provides a summary of PPP approved lending, and information on loans by lender size, loan size and state. **Click on the attachment above to read the full details.**

### **Latest From Washington: Senate Banking Committee Hears From Mnuchin, Powell**

Treasury Secretary Mnuchin and Federal Reserve Chairman Powell and Fed Chairman testified remotely before the U.S. Senate Banking Committee this morning, giving the first of their required updates to Congress on the \$500 billion fund [set aside in the CARES Act](#), according to Axios. Both think the worst could be yet to come for America's economy: Powell reiterated his belief a full recovery may not come until there's a vaccine, and Mnuchin said there's the risk of "permanent damage" if states delay reopening. The Committee asked whether the economic programs were enough to support businesses or localities in need. Powell said the Fed would continue to adjust the terms, and possibly the eligibility, of its lending programs as "we learn more." Mnuchin said Treasury was "fully prepared to take losses" on the money it is extending to backstop the Fed's lending programs. (Many of the Fed's coronavirus lending programs have yet to launch; Powell expects all to be up and running by the first week of June.)

- Asked if Congress has done enough, Powell said: "This is the biggest shock we've seen in living memory," that Congress needs to be ready to act further if needed.
- Mnuchin was pressed on the eight-week period that businesses are required to spend Paycheck Protection Program funds. Small businesses want it extended, but that fix would need to come from Congressional legislation, not the Treasury Department.
- It does not currently appear that a new coronavirus bill is close. The House is out this week, the Senate is out next week, which brings us to early June. There is still reticence among some Republicans: House GOP Leader McCarthy, commenting about the need for a new bill, stated: "I don't see the need right now. . ."
- [Pressure is mounting](#) on the Federal Reserve and the U.S. Department of Treasury to spend hundreds of billions of dollars that Congress has already allocated.

## **FROM THE WHITE HOUSE**

### **President Trump is Providing Regulatory Relief to Jumpstart the Economy and Get Americans Back to Work**

"Today **President Trump signed an Executive Order (See attached) that will help slash red tape in order to revitalize the economy and get Americans back to work.** The President is directing agencies to use all emergency authorities to swiftly identify regulations that can be rescinded or temporarily waived to promote job creation and economic growth. Agencies have used these emergency authorities to fight coronavirus, and now we will use them to jumpstart the economy and lift up our country again. The President's order asks agencies to speed up the rulemaking process by moving proposed rulemakings to interim final rules with immediate effect – saving years in some cases. President Trump has long made deregulation a major pillar of his pro-growth policies, freeing up small businesses and entrepreneurs to create jobs and drive economic growth.

Additionally, the President is directing agencies not to over-enforce when a business is working in good faith to follow the law. This discretion will especially benefit small businesses, who are fighting to recover from the impact of this pandemic. The President's order also establishes a "Regulatory Bill of

Rights,” a set of 10 basic principles of fairness to govern the administrative enforcement and adjudication process. These principles will help give businesses the confidence they need to invest and grow as we recover as a nation.”

### FROM NEW YORK STATE & PRESS SOURCES

- See Governor Cuomo’s full [May 19 coronavirus presentation here](#).
- The [Capital Region will begin reopening Wednesday](#) after resolving outstanding issues with recruiting its local corps of coronavirus tracers. This will leave the Mid-Hudson Valley as the only upstate region with a stay-at-home order still in place. Long Island is also stuck at a score of five out of the seven state requirements for reopening, according to the [latest regional scorecard](#).
- The [numbers have not been so great in New York City](#) in recent days, according to Mayor Bill de Blasio.
- Mayors, county executives and other local leaders have a key role in managing the pandemic, especially when it comes to enforcing social distancing and developing testing and tracing programs. They could do this in their day jobs, but the [new regional “Control Rooms”](#) offer some political advantages to both the governor and local officials.
- The state government is holding back more than \$1 billion of planned spending as it grapples with the financial fallout from the pandemic, [The Wall Street Journal reports](#).
- Over \$9.2 billion in unemployment benefits has been issued to around 2 million New Yorkers, with the state saying that while it has mostly cleared the backlog of pending claims, pandemic unemployment assistance has taken longer to process, [State of Politics reports](#).
- State governments would receive a combined \$500 billion in federal aid to provide direct relief from the economic toll of the coronavirus pandemic under legislation that’s gaining bipartisan momentum in Congress, [State of Politics reports](#). The bipartisan National Governors Association has pegged the need for states at around \$500 billion. The bill would allocate the funding based on need, with \$16 billion set aside for Native American tribal governments. The rest of the funding would be divided equally by population size, infection rates and lost revenue. New York is one of the hardest hit states by the pandemic, and Governor Cuomo has said he wants \$61 billion to plug a budget gap in the coming years. <https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2020/05/19/-500b-eyed-for-states--local-governments-in-pandemic-relief>
- More than [\\$1 billion in state spending is on hold](#), but it could be weeks before localities and other recipients of state aid get their money. Another \$370 million in grants to upstate cities is also being put on hold, according to The Wall Street Journal, as the state waits to pull the trigger on sweeping state budget cuts to public schools, health care and local governments. The governor told reporters Tuesday that it might be several weeks before the fiscal picture becomes any clearer as efforts continue to secure tens of billions of dollars in new federal aid – according to reports, the U.S. Senate is unlikely to pass another stimulus bill before June at the earliest.
- It will take New York City at least four years to recover from COVID-19’s economic devastation, with employment expected to return to pre-pandemic levels by 2024, according to a blunt new analysis by the city’s Independent Budget Office, [the Post reports](#).

**The NYS Senate will reportedly be back in session next Tuesday and Wednesday.** It remains to be seen whether the Assembly will do the same, but a two-way deal appears to be in the works on a dozen bills intended to mitigate the effects of COVID-19. Most legislators would be able to work remotely. The legislative agenda could include bills to help renters stay in their homes, streamline the process of absentee voting, change unemployment eligibility and give frontline workers some hazard pay.

[https://www.cityandstateny.com/articles/politics/new-york-state/state-senate-reconvenes-next-week-sources-say.html?mc\\_cid=d9fe838f9b&mc\\_eid=e55c2af3e3](https://www.cityandstateny.com/articles/politics/new-york-state/state-senate-reconvenes-next-week-sources-say.html?mc_cid=d9fe838f9b&mc_eid=e55c2af3e3)

## Upcoming Webinars

### **I. Community Bank Briefing #10: COVID-19 Regulatory Update & Q&A**

**May 20 | 11 a.m.**

[This webinar briefing](#) addresses ICBA's continued advocacy related to the COVID-19 outbreak, federal banking agency action to date, and the remarkable response of community banks across the country. ICBA experts will focus on the recently-issued SBA PPP Loan Forgiveness Application and instructions. Participants are encouraged to bring questions to the briefing as the ICBA team will spend a majority of the time taking inquiries from community bankers.

#### **Speakers:**

- **Rebeca Romero Rainey**, President and CEO
- **Karen Thomas**, Senior Executive Vice President, Government Relations & Public Policy
- **Paul Merski**, Group Executive Vice President, Congressional Relations
- **Chris Cole**, Executive Vice President, Senior Regulatory Counsel
- **Ron Haynie**, Senior Vice President, Mortgage & Finance Policy
- **Steve Keen**, Vice President, Congressional Relations
- **James Kendrick**, First Vice President, Accounting & Capital Policy

**For details and to register, please use the link provided below:**

[https://myicba.icba.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg\\_evt\\_key=99292b79-7f7b-4301-9c11-f11b515b3518&RegPath=EventRegFees&FreeEvent=0&Event=Webinar](https://myicba.icba.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg_evt_key=99292b79-7f7b-4301-9c11-f11b515b3518&RegPath=EventRegFees&FreeEvent=0&Event=Webinar)

### **II. City & State Free Webinar May 28: "Financial & Economic Impact On NY Amid Coronavirus Pandemic"**

As COVID-19 continues to wreak havoc on our economy and financial services industry, **how can New York prepare for decreased tax revenue and potential budget cuts**, while also providing much needed aid for the many individuals and small businesses who are suffering? Lend your voice to the discussion in this upcoming **free webinar**.

**Please use the link below to register.**

<https://www.cityandstateny.com/events/city-states-webinar-series-financial-and-economic-impact-ny-amid-coronavirus-pandemic>

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

- **John J. Witkowski**, President & CEO ([Johnw@ibanys.net](mailto:Johnw@ibanys.net); 716.880.0518)
- **Stephen W. Rice**, Director, Communications & Government Relations ([Steve@ibanys.net](mailto:Steve@ibanys.net))