

Tuesday, May 12, 2020 (Update # 2)

To: New York Community Banks

- The White House provided a [Summary of Paycheck Protection Program Round 2 Data – Updated as of Sunday, 5/10](#)
- Governor Cuomo has announced that a [new state website](#) will begin tracking regional reopening efforts in the “coming days.”

### **House Democrats Unveil Their \$3 Trillion "Phase Four" Plan**

Politico reports that House Speaker Nancy Pelosi (D-Calif.) is pressing ahead with a Friday vote on a \$3 trillion economic stimulus package, despite pushback from President Donald Trump and Senate Republicans who say there hasn't been enough time to see the impact of the \$2 trillion CARES Act. The bill includes \$875 billion in aid for state and local governments, a sticking point between Democratic and Republican lawmakers. Note:

This is a messaging bill for House Democrats intended to help them lay their marker for the policies in which they believe. This will not become law.

[\*\*THE FULL 90-PAGE DRAFT SUMMARY ... THE 1,815-PAGE BILL\*\*](#)

### **Reported Highlights:**

- \$500 BILLION for state governments.
- \$375 BILLION for local governments.
- \$20 BILLION for tribal relief and \$20 BILLION for relief for territories.
- \$3.6 BILLION for “contingency planning, preparation, and resilience of elections for Federal office.”
- HOUSING ASSISTANCE ... \$75 BILLION for “states, territories, and tribes to address the ongoing needs of homeowners struggling to afford their housing due directly or indirectly to the impacts of the pandemic by providing direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing related costs.”
- \$1.5 BILLION for broadband hotspots.
- \$10 BILLION for small businesses.
- \$25 BILLION for the Postal Service.
- PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND: \$175 BILLION “to reimburse for health care related expenses or lost revenue attributable to the coronavirus, as well as to support testing and contact tracing to effectively monitor and suppress COVID-19.”
- \$5 MILLION for the House to buy “House imaged laptops due to COVID-19. In addition, this funding will support an increase in inventory of satellite phone, Mobile Wi-Fi Hotspots, and updated satellite bandwidth technologies to meet escalating demand of District Offices during COVID-19, as well as provide funding for the newly formed Select Committee that will provide oversight of the funds provided for coronavirus and economic aid.”

The bill would require the president to appoint a “Medical Supplies Response Coordinator” and would allow the administration to delay “the publication of apportionment and state redistricting data by 120 days.”

**Meanwhile, Senate Majority Leader McConnell reiterated he will insist on liability protection** for employers in the post-coronavirus world. “Strong legal protections are the right move for doctors, nurses, hospitals, schools, universities, for workers who want their jobs back, for small business owners who are struggling to stay open, for nonprofits that have helped the vulnerable and for taxpayers who want their money to finance a real national rescue, and not the biggest trial lawyer bonanza in American history. Senate Republicans are going to continue to develop this legislation. It’s going to be a red line for us in any future coronavirus legislation. The administration has already stated its support for action on this issue as well.”

## **Fed's Quarles Addresses Large Bank Dividends/Amount Of Capital They Need To Hold During Pandemic**

Federal Reserve Vice Chairman for Supervision Randal Quarles said at a remote Senate Banking Committee hearing that the Fed could curb the ability of large banks to pay dividends by increasing the amount of capital they need to hold during the coronavirus pandemic. He added that the Fed is adding a current-events analysis to its yearly stress tests, but did not provide specifics on how the extra analysis would alter each bank's capital buffer.

### **From The OCC**

**Bulletin | OCC 2020-51 | May 12, 2020**

#### **Corporate Governance: Annual Meetings and the COVID-19 Emergency**

##### **Summary**

The Office of the Comptroller of the Currency (OCC) recognizes the recent disruptions and significant challenges faced by banks<sup>1</sup> as a result of the coronavirus disease (COVID-19) emergency. The OCC is issuing this bulletin in response to inquiries from banks that are considering changes to the date, time, or location of their annual meetings as a result of stay-at-home and similar orders and potential health concerns. The bulletin also addresses the specific regulatory requirements applicable to federal savings associations (FSA) that may seek to delay their annual meetings.

##### **Note for Community Banks**

This bulletin applies to community banks.

##### **Highlights**

Before making any changes to the date, time, or location of its annual meeting, a bank's board of directors should consider all relevant facts and circumstances and applicable laws.

For national banks, the requirement to hold an annual meeting is governed by state corporate governance laws and the national bank's governing documents.<sup>2</sup> The board of directors, after due consideration, should make and properly document any decision to change the date, time, or location of the annual meeting.

For FSAs, the requirement to hold an annual meeting is governed by OCC regulations.<sup>3</sup> Specifically, OCC regulations require FSAs to conduct annual meetings no later than 150 days after the end of the fiscal year and to incorporate the time frame for conducting the meeting into its bylaws. Several FSAs with December 31 fiscal year ends have expressed concern that, in light of the COVID-19 emergency, holding an annual meeting within the 150-day time frame may not be prudent. An FSA may amend its bylaws to establish a longer time frame with the OCC's prior approval. The OCC will deem such an amendment to be effective and approved by the OCC at the time the amendment is adopted by the FSA's board of directors if

- the board of directors determines in good faith, and documents in board meeting minutes, that the purpose for extending the time frame is to comply with COVID-19-related state or local travel limitations or for the health and safety of employees and meeting participants.
- the longer time frame for the annual meeting is no greater than 210 days after the end of the FSA's fiscal year.
- the extension of time applies solely to the 2020 annual meeting.<sup>4</sup>
- the FSA promptly informs members or shareholders of the change and complies with all applicable requirements regarding member or shareholder meetings and proxy solicitation.
- the board of directors of the FSA documents in board meeting minutes to use its best efforts to promptly schedule and hold the 2020 annual meeting when it is prudent, based on facts and circumstances.
- the FSA satisfies the requirements of its charter and bylaws in adopting the bylaw amendment.
- the amendment is filed with the appropriate OCC Licensing Office within 30 days after adoption with appropriate documentation to support that the FSA met the above requirements.

The OCC strongly encourages all banks to use electronic methods for submitting licensing filings during the COVID-19 emergency. See Bulletin 2020-20, “Licensing Filings: Use of Electronic Methods for Submission of Licensing Filings.”

### **Further Information**

National banks and FSAs with questions or concerns are encouraged to contact their Supervisory Office or the appropriate Licensing Office

Stephen A. Lybarger

Deputy Comptroller for Licensing

### **Related Links**

- [Bulletin 2020-20, “Licensing Filings: Use of Electronic Methods for Submission of Licensing Filings”](#)
- [OCC Licensing Office Contacts](#)

<sup>1</sup> The term "banks" refers collectively to national banks and federal savings associations.

<sup>2</sup> The corporate governance practices of national banks are subject to state corporate governance laws to the extent those laws are not inconsistent with federal law or bank safety and soundness. Refer to 12 CFR 7.2000(b) (setting forth the bodies of law from which a national bank may select its corporate governance procedures).

<sup>3</sup> Refer to 12 CFR 5.21(j) (mutual savings associations) and 12 CFR 5.22(j) and (k) (stock savings associations).

<sup>4</sup> When amending the bylaws to provide for an extended timeframe for holding the 2020 annual meeting, the FSA’s board of directors should retain the standard to hold the annual meeting within the 150-day timeframe in all other years.

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### **Pursuit Had Developed A Small Business Recovery Kit**

<https://mailchi.mp/the504company/march-504-rates-as-low-as-2695033?e=7e414ba558>

As plans are developing for re-opening businesses at the federal, state and local levels, business owners need guidance on how to navigate this new environment. We've created the [Small Business Recovery Kit](#) to provide advice and resources to help business owners start taking steps toward recovery. Each week, we add new articles, infographics and webinars on topics including financial management, new technologies, marketing strategies and more. Share this kit with your business clients to help them create a path forward. Stay safe and stay healthy and reach out to us if you have questions or need support.

- The Pursuit Team

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### **Governor Cuomo's Handling Of Pandemic Getting High Grades**

Just 18% of New Yorkers say they disapprove of Cuomo's handling of the pandemic, according to a new poll by Ipsos and The Washington Post. Nearly 60% of Republicans are giving the governor high marks. Just over 70% of Americans overall say they approve of how their respective governor has responded to the critics, but just 43% say the same about the president, who was clearly irked by his unpopularity Tuesday morning.

- **Governor Cuomo has announced that a new state website will begin tracking regional reopening efforts in the “coming days.”**

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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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