

Tuesday, July 28, 2020

To: New York Community Banks

From ICBA

Senate stimulus plan includes PPP reforms

Senate Republicans released initial proposals for the next round of stimulus legislation that include several ICBA-advocated provisions, though ICBA will continue working with lawmakers to craft the legislation.

The HEALS Act includes ICBA-advocated [Paycheck Protection Program reforms](#), including safe harbor protection for PPP lenders, automatic forgiveness for loans under \$150,000 with borrower attestation, and a streamlined forgiveness process for loans between \$150,000 and \$2 million. ICBA has initiated and led the effort to simplify PPP loan forgiveness, advocating a presumption of compliance for all loans of \$1 million or less since May.

The legislative package—introduced by several Senate committee chairs—also includes ICBA-advocated measures providing [liability protections](#) from COVID-19-related lawsuits, [agriculture support](#), and more. It also would provide a second round of direct checks for Economic Impact Payments, extend unemployment compensation, and expand the employee retention tax credit.

The PPP provisions introduced by Sens. Marco Rubio (R-Fla.) and Susan Collins (R-Maine) also would let certain small businesses apply for a second round of PPP loans. The SBA could reimburse lenders for 3 percent of the principal amount up to \$350,000 and 1 percent of the principal thereafter.

Small businesses with no more than 300 employees that can demonstrate a 50 percent reduction in revenue would be eligible for the second PPP round, which would draw on a combined \$190 billion in existing and newly appropriated funds.

The plan also includes a 7(a) loan program that would provide for 20-year loans up to \$10 million at a rate of 1 percent to borrowers and 300 basis points over SOFR to lenders, or roughly 3.1 percent. The SBA would guarantee 100 percent of the loans and would be required to reduce barriers to selling the loans on the secondary market.

As the congressional debate continues, ICBA will continue reviewing the legislative proposals and working with lawmakers to ensure the next stimulus meets the needs of community banks and the communities they serve.

Meanwhile, ICBA continues urging community bankers to use its [Be Heard grassroots action center](#) to urge Congress to advance ICBA's specific recommendations in the next stimulus package.

CONTACT CONGRESS

Coin task force urges Americans to put coin to use

The U.S. Coin Task Force [encouraged](#) the American public to help improve coin circulation, which has been disrupted by the COVID-19 pandemic. The task force, a Federal Reserve initiative on which ICBA serves, urges consumers to spend, deposit, and redeem their dormant coin. It also encouraged use of the #getcoinmoving hashtag on social media to promote awareness. The U.S. Mint recently issued a separate [statement](#) urging consumers to pay with exact change and return spare change to circulation, noting that cash is the only form of payment for millions of Americans. ICBA community banker and task force member Sherri Reagin, of North Salem State Bank in North Salem, Ind., discussed the issue last week on [Marketplace](#).

From The White House

- **PPP State-by-State Data can be found [here](#).**

Program Overview

- [Top-line Overview of PPP](#)
- [SBA Paycheck Protection Program Loan Report](#)
- [SBA Paycheck Protection Program Loan Report Round 2](#) – Updated 7/21
- [Summary of Paycheck Protection Program Round 2 Data](#) – Updated 7/27

Other Sources

Senate GOP Stimulus Plan: Benefit For Big Banks?

The New York Times reports big banks may get a big gift in the stimulus bill being drafted by Senate Republicans. It is expected to include language that would give the Federal Reserve authority to relax a requirement surrounding capital levels at the biggest banks, essentially allowing firms to load up on riskier assets, according to three people familiar with the effort.

Republican Stimulus Package May Come With a Benefit for Big Banks

Formal Negotiations On Next Coronavirus Package Underway

Formal negotiations began on the next coronavirus relief package with a meeting between House Speaker Nancy Pelosi (D-Calif.), Senate Minority Leader Chuck Schumer (D-N.Y.), Treasury Secretary Steven Mnuchin and White House chief of staff Mark Meadows. Senate Republicans are divided over the \$1 trillion plan released by Senate Majority Leader Mitch McConnell (R-Ky.), which includes a measure that would reduce an expiring unemployment insurance benefit as well as an unrelated \$1.8 billion provision sought by the White House for construction of a new Federal Bureau of Investigation headquarters in Washington. ([The Washington Post](#))

- Senate Majority Leader McConnell enters the negotiations with perhaps his toughest hand yet. <https://politi.co/30Sd0xb>

From New York

Local Governments Have Lost Billions in Economic Activity

County governments and New York City have lost a combined \$13.5 billion in economic activity over two fiscal years that could lead to cuts in spending for services as well as a permanent loss of jobs, the New York State Association of Counties warned in a report released on Monday.

Read more.

- “**The costs** in New York State to an array of responses to the Covid-19 pandemic are starting to become more clear. [And they are high](#). State government agencies have so far committed to \$2.2 billion worth of contracts and other costs directly related to the virus since March. The expenses, which the state believes will be covered by federal emergency spending authorizations from this spring, include everything from lab costs to ventilator purchases to student refunds issued after they had to clear out of their dorm rooms when campuses shut down during the height of infections in New York. Add in what the state believes local governments have spent or committed through various contracts and the price tag so far for the state becomes more than \$4 billion, according to the Cuomo administration.”

Cuomo To New York GOP Representatives: Demand Aid To Local & State Governments

After U.S. Senate Republicans announced they would not be including aid to states and local governments in their opening \$1 trillion stimulus package proposal, Gov. Andrew Cuomo challenged the state’s Republican House delegation to demand it, [State of Politics reports](#).

Latest On Evictions

Various protections are in place to prevent people from getting evicted in New York, but the patchwork of legislation, executive orders and court decisions can be confusing and are far from all-encompassing. [Here’s what renters and landlords need to know](#).

ESD Wants Companies To Ramp Up PPE Manufacturing To Prep For Second Wave Of Virus

Health experts are warning of a potential second wave of coronavirus in the fall, prompting Empire State Development to work with companies across the state to ramp up manufacturing of personal protective equipment to ensure medical facilities have enough supplies on hand, [the Times Union reports](#).

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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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