

Thursday, July 30, 2020

To: New York Community Banks

From ICBA

PPP forgiveness bill introduced in House

ICBA [thanked](#) Rep. Chrissy Houlahan (D-Pa.) for introducing the House version of [ICBA-advocated](#) legislation to forgive Paycheck Protection Program loans under \$150,000. The bipartisan Paycheck Protection Small Business Forgiveness Act (S. 4117/H.R. 7777) would forgive such loans provided borrowers submit a one-page attestation form to lenders. ICBA initiated the effort to simplify PPP loan forgiveness, advocating a presumption of compliance for all loans of \$1 million or less since May. Initial stimulus proposals [released this week](#) by Senate Republicans include the proposal for loans under \$150,000 as well as a streamlined forgiveness process for loans between \$150,000 and \$2 million, among other reforms. ICBA continues calling on community bankers to use its [Be Heard grassroots action center](#) to urge Congress to advance ICBA's specific recommendations in the next stimulus package.

From The White House

PPP Program Overview

- State-by-State Data can be found [here](#).
- [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 7/28

From Other Sources

- The U.S. GDP shrank at an annualized rate of 32.9% in the second quarter -- the worst-ever contraction on records that date back 73 years, to 1947. The "staggering contraction" beats the last record set in 1958, when GDP shrank at an annualized 10% rate. Because the economy experienced a swift, marked deterioration in the second quarter that's unlikely to be repeated, economists are also looking at another figure: How much the economy shrank from the first quarter to the second quarter, which came in at -9.5% — still, the worst on record by that measure. https://www.axios.com/us-gdp-q2-coronavirus-contraction-worst-ever-ed533bbf-1113-47fa-ae2-6e66fb553977.html?stream=politics&utm_source=alert&utm_medium=email&utm_campaign=alerts_politics
- Federal Reserve officials announced no new policy changes at the end of their two-day meeting and promised to maintain its stimulus measures. Fed Chairman Jerome Powell reiterated the country's economic future will depend on containing the coronavirus pandemic, saying that social distancing measures and a quick economic recovery "actually go together" and aren't in competition. He said fiscal spending from Congress and the White House "can address things we can't address," and added that various data sources show a slowdown in recent hiring and consumer spending, after employment rebounded in May and June. ([The Wall Street Journal](#))
- Federal Reserve Chair Jerome Powell said that while U.S. banks are well capitalized, a temporary relaxation of their leverage ratios could help support credit in the economy. "It would give us the ability to allow banks to grow their balance sheet," Powell said at a press conference Wednesday, referring to potential legislation in Congress for a broader easing in capital standards. https://www.bloomberg.com/news/articles/2020-07-29/powell-suggests-more-bank-leverage-relief-would-help-borrowers?mkt_tok=eyJpIjoiTIRKa04yWXdoakzWTJFMStsInQoiOjI5VINMbzJcL3BLWDU0dz0NIRwYjFCdlwvMGFtU0RcL3dWa1pVSW5tUXV2cEdZNXhrSG5rN0I2NGNGTUNWdmFI RjNNZDg5NFd3Mkk0K0R2eG9aK0JGMkIwQWpUZG9CbIB3bFRcL2FFZ3crazZjZm93dk8wM0lGTnNmV2xcL3RMVkdIalcrIn0%3D

- Negotiations on a new coronavirus relief bill hit roadblocks as a meeting between White House officials and Democratic lawmakers reached no agreement on extending supplemental unemployment benefits that expire Friday, or on continuing the pause on evictions, which ended last week. The two sides also remain far apart on the size of a complete economic relief effort. Congressional Democrats are sticking with their \$3 trillion proposal; Congressional Republicans and the White House are trying to unify on a \$1 trillion bill released by Senate Majority Leader McConnell. ([The Washington Post](#))
- BOTH SIDES are betting the other will cave. Dems think Republicans will give in to a big package, the GOP thinks Dems will back an unemployment proposal without a larger deal. *Coverage:* [POLITICO](#) ... [WaPo](#) ... [NYT](#) ... [WSJ](#)
- Congress left a loose end in March's economic-relief law that could end up costing small businesses \$120 billion in taxes, and lawmakers are still struggling to tie it up. Lawmakers from both parties say small businesses that get loans forgiven under the Paycheck Protection Program should be able to deduct associated expenses, such as wages, on their tax returns. https://www.wsj.com/articles/congress-seeks-to-fix-120-billion-tax-snafu-in-ppp-loans-11596037094?mkt_tok=eyJpIjoiTIRKa04yWXdoakZWTJFMSIsInQiOiJ5VINMbzJcL3BLWDU0dzh0NIRwYjFCdlwvMGFtU0RcL3dWa1pVSW5tUXV2cEdZNXhrSG5rN0I2NGNGTUNWdmFIRjNNZDg5NFd3Mkk0K0R2eG9aK0JGMkIwQWpUZG9CbIB3bFRcL2FFZ3crazZjZm93dk8wM01GTnNmV2xcL3RMVkdlaicrIn0%3D
- A nationwide coin shortage caused by the coronavirus pandemic has revived a debate: Is now the time to eliminate the penny? During lockdowns, consumers have stayed home and avoided emptying their piggy banks of coins in exchange for paper money. https://www.nytimes.com/2020/07/29/business/coin-shortage-penny.html?mkt_tok=eyJpIjoiTIRKa04yWXdoakZWTJFMSIsInQiOiJ5VINMbzJcL3BLWDU0dzh0NIRwYjFCdlwvMGFtU0RcL3dWa1pVSW5tUXV2cEdZNXhrSG5rN0I2NGNGTUNWdmFIRjNNZDg5NFd3Mkk0K0R2eG9aK0JGMkIwQWpUZG9CbIB3bFRcL2FFZ3crazZjZm93dk8wM01GTnNmV2xcL3RMVkdlaicrIn0%3D

From New York

- As Congress negotiates another coronavirus relief bill, Governor Cuomo urged New York's congressional delegation to push for funding to address New York's budget deficit. In [a letter sent to the state's congressional delegation](#) Wednesday, the Governor said the state budget was constructed to rely on federal funding to fill the \$30 billion deficit New York faces over the next two years. He noted that without additional federal aid, funding for schools, hospitals and local governments could be reduced by as much as 20%.
- New York reported 25,132 total statewide deaths of New Yorkers who tested positive for COVID-19, with five more fatalities in New York yesterday. For more numbers, including the latest statewide and borough-by-borough statistics, [click here](#). Nationally, the U.S. passed the 150,000 mark yesterday in covid deaths, by far the highest total of any country. Brazil is second, with about 88,000 deaths, and the U.K. is third with approximately 46,000.
- According to Gov. Cuomo, the next stimulus bill will be "the most determinative and impactful piece of federal legislation since I've been serving as governor." [Read More](#)
- Cuomo, setting himself up for a fight with fellow Democrats in the state Legislature, says he is opposed to efforts to raise taxes on high-income New Yorkers to help balance a deficit that he says has ballooned to \$30 billion over the next two years, [The Buffalo News reports](#).
- Two bills introduced in the state Senate and Assembly on Tuesday would protect regulated apartments by removing a vacancy rate requirement until well after the city emerges from the coronavirus crisis, [The City reports](#).

- Top Democrats in the state Legislature on Wednesday united behind calls for increasing taxes on the rich as direct aid from the federal government continues to stall. [Read more.](#)

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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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