

Friday, July 3, 2020

To: New York Community Banks

Attached are two industry letters from DFS regarding the new amendments to the NYS CRA rules. Yesterday, I emailed the following message to New York State chartered institutions:

1. Alert Regarding Amendment to NY Community Reinvestment Act – This amendment is focused on reporting of the banks' performance in meeting the credit needs of their communities, including minority and women owned businesses. The focus will also be on the banks' participation with investments, technical assistance programs and the origination and/or purchase of women- and minority-owned loans in the community. DFS is asking for a report to provide information on the banks activities with women- and minority-owned businesses during the year.

NOTE: THIS LETTER ASKS FOR COMMENTS FROM BANKS ON THE AVAILABILITY AND ABILITY TO REPORT THE INFORMATION ON WOMEN- AND MINORITY-OWNED BUSINESSES. Please send your comments to CRAMWBCCOMMENTS@DFS.NY.GOV

2. CRA Consideration for Activities in Response to COVID – 19 – This industry letter provides information on the additional ways to receive CRA credit, which includes activities involving small businesses and minority- and women-owned businesses. It states DFS will evaluate PPP loans consistent with guidance from the other regulatory agencies, e.g., the FRB, FDIC and OCC.

IBANYS and DFS have recently worked closely on a number of projects, and I wanted to provide this information but also ask for feedback.

Please provide a copy of your comment letter to IBANYS.

Could you provide feedback to the following questions:

1. Can your bank provide a Minority- and Women-Owned business activity/performance report today for DFS?
2. If not, what does the bank need to do to collect this information accurately?
3. Will changes need to be made to your application and underwriting process?

All answers are confidential and will remain anonymous.

Thank you for your time.

Regards,
John

FROM ICBA

ICBA Statement on Paycheck Protection Program Extension

Washington, D.C. (July 2, 2020)—Independent Community Bankers of America® (ICBA) President and CEO Rebeca Romero Rainey released the following statement on congressional passage of legislation to extend the Paycheck Protection Program through Aug. 8.

"As the nation's top small-business lenders and leading Paycheck Protection Program participants, community banks will continue working to meet the needs of their customers and local communities.

"Community banks have been an economic lifeline to local communities during the COVID-19 pandemic, including through their participation in the Paycheck Protection Program. Combined, they account for more than 66 percent of PPP loans and 63 percent of the program's approved dollar amount, according to [SBA data](#).

"While community banks will continue supporting their local economies, we are also advocating [additional reforms](#) to include in the next COVID-19 relief bill to support small businesses and

jobs in rural, suburban, and urban markets. In addition to a more straightforward approach to PPP loan forgiveness, ICBA and community bankers also encourage Congress to advance capital and accounting relief, liability protection, tax reform, agricultural support, and more.

"ICBA and the nation's community banks will continue working with Congress and the Trump administration to implement policies that will help local communities recover economically from the COVID-19 pandemic."

Senate bill would forgive PPP loans under \$150K

Senate Banking Committee member Kevin Cramer (R-N.D.) [introduced](#) ICBA-supported legislation that would forgive Paycheck Protection Program loans under \$150,000.

The bipartisan Paycheck Protection Small Business Forgiveness Act (S. 4117) would forgive such loans provided borrowers submit a one-page attestation form to lenders. The bill also would expand the hold-harmless provision for lenders that rely on borrower attestations to encompass all aspects of the loan process, not just forgiveness.

ICBA is encouraging community bankers to urge their senators to support and co-sponsor the bill. Meanwhile, ICBA continues calling on community bankers to use its [Be Heard grassroots action center](#) to provide Congress with comprehensive policy recommendations for the next relief package.

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FROM THE WHITE HOUSE

- Through the Paycheck Protection Program, \$520 billion in loans were extended to nearly 5 million small businesses, saving and supporting the jobs of tens of millions of American workers.
- "Our work won't be done until every single American who lost their job because of COVID gets back to work." - U.S. Treasury Secretary Steven T. Mnuchin
- 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 6/29
- [Summary of Paycheck Protection Program Round 2 Data](#) – Updated 6/30

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FROM THE OCC & CFPB

NNNR 2020-87 July 2, 2020

CFPB, OCC Host Virtual Innovation Office Hours

Joint Release From The Consumer Financial Protection Bureau & Office of the Comptroller of the Currency

The Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency (OCC) today announced they will host joint, virtual Innovation Office Hours, July 29-30, as part of the American Consumer Financial Innovation Network (ACFIN). Participants will have the opportunity to discuss issues that touch upon both consumer protection and prudential regulation.

Office Hours are one-on-one meetings with representatives from the OCC and CFPB Offices of Innovation to discuss financial technology (fintech), new products or services, partnering with a bank or fintech company, or other matters related to responsible innovation in financial services. Each meeting will last no longer than one hour.

Interested parties should [request](#) a virtual office hours session by July 17, 2020, and are asked to provide information on the topic(s) they are interested in discussing with the Offices of Innovation. Specific meeting times and arrangements will be determined after the OCC and CFPB receive and accept the request.

The CFPB, along with its state partners, launched [ACFIN](#) to enhance coordination among federal and state regulators as it relates to innovation and to further objectives such as consumer access, competition, and financial inclusion. Additionally, ACFIN provides a platform for members to share information to facilitate coordination on innovation policies and programs. In addition to the CFPB and OCC, ACFIN members include the attorneys general from Alabama, Alaska, Arizona, Colorado, Georgia, Indiana, Ohio, South Carolina, Tennessee, and Utah; and state financial regulators from Florida, Georgia, Missouri, Ohio, Utah, Tennessee, and Wyoming. ACFIN membership is open to any state and federal partners interested in joining.

Related Links

- [CFPB's Office of Innovation web page](#)
- [OCC Responsible Innovation web page](#)
- [OCC Office of Innovation: A General Guide](#)

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FROM OTHER SOURCES

[cbsi Talking Business: Special Banking Edition: July 2, 2020: Interviews With Bob Fisher & John Witkowski](#)

Dear cbsi friends:

As we celebrate Independence Day during this challenging time, we focus this special edition of #cbsiTalkingBusiness on the efforts of community bankers who help small business in their communities. **We were pleased to talk with two banking leaders Robert Fisher, CEO of upstate NY based Tioga State Bank who is the Chairman-Elect of the Independent Community Bankers of America and John Witkowski, the CEO of the Independent Bankers Association of New York. They describe the efforts of local bankers to help small business thru the Covid-19 period the Paycheck Protection Program loan processing and ongoing efforts leading to reopening. . .**

- **"We are relationship focused, dedicated to customers in good times and bad"**

That's Robert Fisher, the CEO of Ithaca, NY based Tioga State Bank, who is Nat. Chair Elect of the Independent Community Bankers of America, a graduate of Notre Dame and a veteran of the US Air Force Topics of the discussion:

1. Impact of Covid19, "Everything Shutdown" served customers via "Drive thru banking" with lobbies reopening in early June.

2. Re Payroll Protection Plan made over 500 loans distributing \$38.7 million, saved 6,000 jobs
3. Required considerable manual processing, "We made it easy to get money to customers who needed it."
4. Staying ahead on technology, digitizing checks was a major milestone
5. At ICBA work on Regulatory Relief proportional to our customer base.
6. Supports Financial Literacy for high school students.

...Reach Robert Fisher at Tiogabank.com more on ICBA at icba.org

https://www.youtube.com/watch?v=8nbnR26nr6Q&list=PLsq_qXm4vxtjjphRcElxtMmREmyoMaXOO&index=4

- **"Small Business is what makes this world tick, they make communities thrive and do well".**

That's John Witkowski, CEO President of the Independent Bankers Association of New York State describing the ways community bankers have helped small business during the Covid-19 Crisis. Key points:

1. During Covid-19 crisis Community Banks have supported small businesses in their communities, both existing and new customers with Payment Protection Program Loan application processing during both rounds of the CARES Act.
2. In NYS State 265,000 PPP loans completed for \$40 billion
3. The Independent Bankers of New York State serve banks with up to \$12 billion in assets.
4. Performs advocacy at state government to protect community banks from regulations intended for much larger banks.
5. Becoming a cashless society, customers are using mobile wallets, banks need to meet customer expectations for technology
6. Career transition: College football at Columbia to the NFL Lions and Oilers to banking.

...Reach John Witkowski at 518-436-4646

<https://www.youtube.com/watch?v=7MGnnDi-yos&t=4s>

**Best wishes for a meaningful and safe 4th of July.
Kenneth G. Kraetzer, Vice President, @KenKraetzer, 914-450-9554**

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Pursuit PPP Application Deadline Extended To 7/31

Dear Partner,

Congress has approved an extension of the Paycheck Protection Program. Assuming that it's signed into law, even more small businesses will be able to pay staff, rent, and other expenses with a PPP loan. We'll continue to accept applications for the program through July 31st, giving your clients another month to consider the program and apply. Please share our application link (pursuitlending.com/pppapply) with any small business that might benefit from a PPP loan!

The extension also means that we will continue to build on the impact we've already created with the program. Since launch, we have supported nearly 6,500 businesses with a PPP loan, who are in turn

supporting more than 51,000 employees. And, our median loan size of \$20,800 means that we're focused on truly small businesses that greatly need the support.

We look forward to continuing our PPP work to help businesses continue moving forward.

- The Pursuit Team

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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; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)**