

Friday, August 28, 2020

To: New York Community Banks

FROM ICBA

Agencies extend foreclosure, eviction moratoriums

Federal agencies extended foreclosure and eviction moratoriums on certain Fannie Mae, Freddie Mac, and Federal Housing Administration mortgage loans. The Federal Housing Finance Agency [extended](#) the moratoriums on single-family foreclosures and real-estate-owned evictions from Aug. 31 to Dec. 31. The [moratorium](#) on FHA-insured single-family mortgages was also extended through the end of the year. ICBA is updating its [frequently asked questions](#) on the federal coronavirus response with the new deadlines.

Agencies reschedule webinar on PPP forgiveness platform

Regulators yesterday [rescheduled](#) yesterday's webinar on the SBA's Paycheck Protection Program loan-forgiveness platform. The webinar for PPP lenders is now scheduled for 3 p.m. (Eastern time) this Thursday, Sept. 3. There is a [new registration page](#) for the webinar.

CFPB issues guide on accessing stimulus payments

The Consumer Financial Protection Bureau [released a guide](#) to help intermediaries help individuals access their Economic Impact Payments. The guide provides step-by-step instructions for frontline staff on how to discuss the EIP with clients, determine if clients need to act, and troubleshoot common issues.

FROM OTHER SOURCES

- An effort to restart stalled coronavirus negotiations between House Speaker Nancy Pelosi and the White House went nowhere, with the top House Democrat saying the talks are fruitless until GOP negotiators agree to a massive \$1 trillion concession, [Politico reports](#). Pelosi did say Democrats would be willing to cut their price tag to \$2.2 trillion. "When they are ready to do that they'll let us know." Earlier, Democrats had said they would be willing to reduce their \$3.4 trillion proposal by \$1 trillion if the GOP came up by the same amount, but Republicans and the White House rejected that offer. The latest: <https://politi.co/3joofM>.
- New signs of a faltering economy are adding pressure to both sides to approve a new stimulus package. More than one million additional Americans filed for unemployment benefits in the last week, according to [new data](#) from the Department of Labor. Job growth slowed in July, and recent reports of looming mass layoffs in the airline industry suggest that the economy could falter despite the ongoing success in the stock market, [according to The New York Times](#).
- "In March, Congress gave the Treasury Department \$454 billion to backstop aggressive new lending efforts by the Federal Reserve to distressed businesses and state and local governments. Five months later, more than half — \$259 billion — is still uncommitted. The Treasury money was billed as risk capital by Trump administration officials who said at the time that it could be leveraged to support as much as \$4 trillion in lending by the Fed. As of last week, the central bank had lent just \$16.4 billion through programs set up with the money. ... Frustration is growing among some lawmakers and business groups that so much money has gone unallocated at a time when Republicans and Democrats alike agree that more is needed — though they differ on how much." [WSJ](#)
- Of the many tragedies in the U.S. coronavirus epidemic, among the largest was that the nation's four economic powerhouses - California, Florida, New York and Texas - bolted to opposite corners early in an often politicized response to the crisis. Democratic-governed California and New York tackled the spread of the virus aggressively with lockdowns and other steps that exacted a heavy toll on their economies.

- The Federal Reserve announced a policy shift where the central bank will aim for inflation above its long-term goal of 2 percent, meaning in effect the Fed will keep borrowing costs low for a long period instead of hiking rates preemptively to prevent higher inflation. The change, according to Fed Chairman Jerome Powell, also reflects the central bank's belief that "a robust job market can be sustained without causing an outbreak of inflation." ([Politico](#))

FROM NEW YORK

- New York has begun a slow march toward the devastation officials warned about if they didn't receive more direct federal assistance to help them through the fiscal wreckage of the coronavirus pandemic, [Politico New York reports](#).
- State revenues are likely to be \$1 billion worse than previously thought, according to state Comptroller Tom DiNapoli, who says a grim fiscal reality is fast approaching. "It's even more significant cuts in services," [he told Crain's New York Business](#). "It's more reliance on borrowing, which, long-term, is not a smart strategy. Or it's taxes increasing at a time when the economy is in a fragile condition." The total budget deficit for this year is now somewhere around \$14.5 billion, according to DiNapoli, with a four-year budget gap currently at \$70 billion. This means Cuomo might need to increase his \$60 billion ask for federal assistance, while reducing [planned spending increases](#) and [increasing taxes](#), according to the Twittersphere.
- "New York City nervously braces for another explosive spread" . . . Health systems said they are bolstering their PPE stockpiles and will enact conservation methods used by frontline workers during the first wave. With a total of 237,525 confirmed and probable cases and more than 23,500 dead, New York City has already experienced the worst the coronavirus has to offer, but as hospitals and health officials gird for a second city outbreak, the spread of the virus throughout the rest of the country is bringing some challenges the city did not face the first time around — and some that continue to linger from the darkest days of March and April. <https://www.politico.com/news/2020/08/27/new-york-city-another-spread-403379>
- NYC Council Speaker Corey Johnson [is pushing Gov. Cuomo and state lawmakers](#) to pass a measure that would let New York City borrow billions of dollars to help prevent massive layoffs of government workers during the fiscal crisis triggered by the pandemic. Johnson said the Council will pass a resolution urging Albany to give City Hall the authorization to do so. If new revenue or savings aren't found, the city reportedly [will begin](#) notifying government workers across all agencies of the layoffs on Monday. The mayor has previously said the city could cut 22,000 workers.
- New York reported 25,309 total statewide deaths of New Yorkers who tested positive for COVID-19. There were 4 more fatalities in New York yesterday. For more numbers, including the latest statewide and borough-by-borough statistics, [click here](#).
- The state has gone 20 straight days with less than 1% of testing results coming back positive, but Western New York remains an area of concern, with about twice as many new cases by percentage as the rest of the state. A [new epidemiological "SWAT team"](#) from the state Department of Health will set up eight rapid-testing sites, including four in Buffalo, to get a handle on the regional surge in cases. The new effort will also be an early test of the effectiveness of new \$5 tests from Abbott Labs that have been called a [potential "game-changer"](#) against the pandemic. Other outbreaks have previously appeared at institutions across the state, according to a [running tracker of campus outbreaks](#) by The New York Times.
- Colleges and universities in New York that see elevated coronavirus cases will move to two weeks of remote learning, Gov. Andrew Cuomo on Thursday said. [Read More](#). New York attracts more out-of-state college students than any other state. While usually a point of pride, an influx of students from around the country could lead to a spike in coronavirus cases. [Will reopening campuses be a disaster?](#)

- The largest carrier of workers' compensation in New York is offering a premium credit program for personal protective equipment -- a move meant to make it easier for businesses and other workplaces to reopen amid the coronavirus pandemic. [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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