

Monday, August 3, 2020

To: New York Community Banks

From ICBA

ICBA advocacy briefing today

ICBA's next Community Bank Briefing on Paycheck Protection Program loan forgiveness and other regulatory issues is scheduled for 3 p.m. (Eastern time) today. The webinar will provide an advocacy update from Washington, including ICBA's efforts on the next stimulus package. [Register now.](#)

ICBA continues support for House PPP forgiveness bill

ICBA and other groups expressed [strong support](#) for 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 separately [thanked](#) Rep. Chrissy Houlahan (D-Pa.) for introducing the bill last week.

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 last 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.

FHFA extends policy on forbearance loan purchases

The Federal Housing Finance Agency [extended](#) a temporary policy that allows for the purchase of certain single-family mortgages in forbearance that meet specific eligibility criteria set by Fannie Mae and Freddie Mac. The policy is extended for loans originated through Aug. 31. The FHFA also said it will share with the Consumer Financial Protection Bureau aggregate data on loans that enter forbearance before delivery to the government-sponsored enterprises. The agency said data-sharing will allow it to fulfill its obligation under the "QM Patch" to ensure that loans sold to the enterprises comply with ability-to-repay rules.

From The White House

- [Summary of Cumulative Paycheck Protection Program Data](#)
- [Frequently Asked Questions for Faith-Based Organizations Participating in the Paycheck Protection Program and the Economic Injury Disaster Loan Program](#)
- The SBA will pay 6 months of principal, interest, and any associated fees that borrowers owe for all current 7(a), 504, and Microloans in regular servicing status as well as new 7(a), 504, and Microloans disbursed prior to September 27, 2020. This relief is not available for Paycheck Protection Program loans or Economic Injury Disaster loans. More information can be found here: [Overview](#) [Additional Debt Relief](#) [Lender Guidance](#)

From Other Sources

- Negotiators who are crafting the next coronavirus relief package are *slowly* making progress toward a deal. House Speaker Pelosi, White House chief of staff Meadows and Treasury Secretary Mnuchin met over the weekend and were able to at least lay out where each side agrees and disagrees. The same group is expected to meet again today, as August recess remains on hold and the extra jobless benefits have expired. Meadows is warning that a deal is not on the horizon. "I'm not optimistic there will be a solution in the very near term." According to the Washington Post, the Trump administration is searching for a backup plan in case Congress can't reach an agreement: unilateral action. <https://wapo.st/3foNaWH>.

- A top Federal Reserve official said Sunday the U.S. economy could benefit if the nation were to "lock down really hard" for four to six weeks, and added that Congress can well afford large sums for coronavirus relief efforts. [Fed's Kashkari suggests 4-6 week shutdown; says U.S. Congress can spend big on coronavirus relief.](#)
- Senate Majority Leader McConnell and New York Governor Cuomo couldn't be farther apart in their views of how Congress should help states recover from the recession, but their states are among those with [the most to lose if the situation gets much worse.](#)
- As Congress struggled last week to reach a deal on the latest coronavirus relief package, alarms were again being raised that the lack of federal aid could mean years of service cutbacks, layoffs and employee furloughs for state and local governments across the country. ["States could see years of money woes, job losses from the COVID-19 recession"](#)
- As the coronavirus pandemic began shutting down the U.S. economy in March, Sen. Marco Rubio (R., Fla.) spearheaded legislation creating the \$670 billion Paycheck Protection Program, one of the most expensive business-rescue frameworks in history. [How Senate's Small Business Chairman Sees PPP Evolving](#)
- With a new coronavirus relief measure stalled in Congress, CEOs of some of the world's biggest companies have banded together to send a message to Washington: Get money to small businesses now! "By Labor Day, we foresee a wave of permanent closures if the right steps are not taken soon," warns [the letter](#), organized by Howard Schultz and signed by more than 100 CEOs, including the heads of Salesforce, Alphabet, Facebook, Microsoft, Walmart, McDonald's, Disney, Quibi, IBM, Merck, Marriott, the Business Roundtable, the U.S. Chamber of Commerce and more. https://www.axios.com/newsletters/axios-am-22b4cc3c-c5f3-4c7c-8738-8ea5849a7d19.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top

From New York

- The economy still remains in a state of shock over the coronavirus pandemic. Unemployment is about 10 percent in many areas of the country and New York. The state is seeking billions of dollars to offset the lost tax revenue. Rent is due, but many people could see their unemployment benefits cut. And yet Congress, for now, is [yet to act](#) on what is expected to be the final stimulus package for the pandemic. No deal and increasingly little time.
- Roughly a third of NYC small businesses [may never reopen](#) by the pandemic's end, according to a report. More than 2,800 NYC small businesses have permanently shuttered since March 1.
- County governments [do not want a temporary coronavirus stimulus measure](#) that only extends pandemic unemployment assistance for several months. The so-called 'skinny' bill for the latest stimulus package has been rejected as county governments in New York seek a broader measure that will include direct relief. But aid to state and local governments, whose finances have been devastated by the pandemic, remains a key sticking point in resolving the bills backed by the Republican-controlled U.S. Senate and the Democratic-led House of Representatives."

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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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