

Wednesday, September 16, 2020

To: New York Community Banks

FROM ICBA

CFPB small-biz plan should exempt more community banks: ICBA

The Consumer Financial Protection Bureau's new outline of proposals to implement small-business data collection and reporting rules does not go far enough to exempt community banks, [ICBA said](#). The [CFPB's outline](#) to implement rules required by Section 1071 of the Dodd-Frank Act includes several options to exempt community banks with as much as \$200 million in assets or up to 100 small-business loan originations. The law requires financial institutions to collect and report certain data on credit applications from women-owned, minority-owned, and small businesses, though the bureau has exemption authority. In a statement, ICBA President and CEO Rebeca Romero Rainey said applying the mandates to community banks would undermine their relationship-based banking model and the non-homogenous nature of community bank small-business loans, which have been a lifeline during the coronavirus pandemic. "ICBA appreciates that the CFPB proposal would exempt community banks with \$100 million to \$200 million in assets, but we continue calling on the bureau to exercise its authority to fully exempt community banks," Romero Rainey said.

The CFPB also said it will host a Small Business Advocacy Review panel next month to develop a report on the impact of the potential rule on small businesses. It also is accepting public feedback through Dec. 14. ICBA has worked with the CFPB and Congress for years to mitigate the negative impact of Section 1071 and will continue working to protect community banks from its impact.

[READ ICBA RELEASE](#)

ICBA-backed House bill includes PPP relief

ICBA and other small-business groups [expressed strong support](#) for bipartisan legislation offering Paycheck Protection Program relief. H.R. 7894 would streamline PPP forgiveness for loans of \$150,000 or less, provide a lender safe harbor, and allow tax deductibility for business expenses paid with PPP funds. The House bill, introduced by Rep. John Curtis (R-Utah), is the latest in a series of House and Senate bills containing ICBA-advocated PPP reforms designed to jumpstart stimulus negotiations between Congress and the Trump administration, including the "skinny" package that failed to advance in the Senate last week. Meanwhile, ICBA continues calling on community bankers to use a custom message on its [Be Heard grassroots action center](#) urging lawmakers to include common-sense policies in the next economic stimulus package.

ICBA seeks flexibility on PPP loan terms

ICBA asked the Small Business Administration to allow community banks to modify the payment terms of multiple Paycheck Protection Program loans by issuing a notice to borrowers that terms have changed rather than seeking a signed loan modification. ICBA also asked the SBA to permit community banks to amend loan terms to allow for a single payment of accrued interest and unpaid principal when beneficial for both lender and borrower. In a [letter to the SBA](#), ICBA noted that congressional amendments to the PPP have changed the mechanics for loan terms, deferral periods, forgiveness application timelines, and covered periods after community banks had already drafted promissory notes for PPP borrowers. Due to these changes and the uncertainty for remaining loan balances for applicants that subsequently took Economic Injury Disaster Loan advances, ICBA said, community banks need increased flexibility to service the large number of small-balance PPP loans that could remain outstanding for extended periods of time.

FROM OTHER SOURCES

- Amid growing frustration from House Democrats over congressional inaction on a coronavirus relief bill, Pelosi told lawmakers the chamber would remain in session until a deal is struck, though Hoyer later clarified that lawmakers would not be expected to remain in Washington but be on call to return to the Capitol. Pelosi has not backed down from her position that the Congress

should advance something similar to the \$3.4 trillion Heroes Act that the House passed in May. ([The Washington Post](#))

- Almost twice the percentage of Ginnie Mae borrowers have demanded forbearance compared to conventional ones, according to a Mortgage Bankers Association report on Monday. Mortgages in forbearance have dropped to just over 7% of the overall universe, the lowest since April.
- Fannie Mae, the world's largest mortgage financier, said mortgage lending this year probably will reach an all-time high of \$3.9 trillion. The dollar-volume record will be boosted by \$2.4 trillion in refinancings, the highest level since 2003 and more than double the level seen in 2019, the mortgage giant said in a forecast on Tuesday. https://www.housingwire.com/articles/mortgage-lending-volume-in-2020-likely-to-break-records/?mkt_tok=eyJpIjoiWldJMU5HVXhaREJrTW1FdyIsInQiOiI0OSs1VFR3QzdRZ2dIZ0hKcEFuaGtJRlRmenE5RkJOEhoRkZ2eVJJMVf3ZFloZ3FiQW81M1NcL0NFVk1kWVEyVTRNTTYyTHdmbEJ2XC9uUTRmYINPZCtac2tZWjlTRCtmNEN3cEhWOHdcLzZqY0t3eFRtdkJaT0lOK1pCWGRUWkhEziJ9#

FROM NEW YORK

- The prospects for another round of federal stimulus funding in the upcoming weeks appear far-fetched, but a new proposal by the bipartisan Problem Solvers Caucus (co-chaired by Rep. Tom Reed, R-Corning) is looking to get it done. [Spectrum News reports](#) that a proposal unveiled by the caucus, which includes Republican Rep. John Katko and Democratic Rep. Anthony Brindisi, would include \$500 billion in funding for state and local governments as well as additional funding for health care, unemployment assistance, schools, and small businesses.
- [THEIR PLAN](#) was released without a list of supporters -- it is roughly \$1.5 trillion, with the option of getting to \$1.9 trillion in 2021, or down to \$1.3 trillion if the economy/health picture changes. House Democratic leadership doesn't seem to support it, and multiple Democratic sources pointed out the proposal lined up with what the White House wants.
- New York's fiscal year is nearly half over, and the state budget [remains billions of dollars out of balance](#), largely due to the effects of the COVID-19 pandemic related economic shutdown. Governor Cuomo has been relying on temporary measures to keep the state afloat, but fiscal experts say it's time to make some hard decisions. E.J. McMahon (conservative leaning fiscal watchdog group the Empire Center) and Ron Deutsch (liberal leaning Fiscal Policy Institute) do agree on some things: 1) The amount of the state deficit is huge (Governor Cuomo's budget office estimates it has grown to \$14.5 billion dollars); 2) It's time to be worried. 'I think alarm bells should be going off all over the place right now,' Deutsch said."
- JPMorgan Chase & Co. sent home some of its workers in its Manhattan office after one employee tested positive for COVID-19, a person with knowledge of the matter said. Earlier, JPMorgan Chief Executive Jamie Dimon told some analysts that employee productivity has slipped during work from home, especially on Mondays and Fridays, and Trump praised the bank on Twitter for a decision to require senior traders to return to the office. ([Bloomberg](#))
- New York reported 25,394 total statewide deaths of New Yorkers who tested positive for COVID-19, as of Sept. 14. For more numbers, including the latest statewide and borough-by-borough statistics, [click here](#). JPMorgan Chase & Co. sent home some of its workers in its Manhattan office after one employee tested positive for COVID-19, a person with knowledge of the matter said. Earlier, JPMorgan Chief Executive Jamie Dimon told some analysts that employee productivity has slipped during work from home, especially on Mondays and Fridays, and President Trump praised the bank on Twitter for a decision to require senior traders to return to the office. ([Bloomberg](#))

- A collection of New York legislators, New York City Council members and advocates are calling on Gov. Andrew Cuomo to release \$4 billion in federal coronavirus funds for nonprofits and service providers suffering from the economic impacts of the pandemic, [the Daily News reports](#).
- Six states have been removed from the tri-state coronavirus travel advisory, which requires incoming travelers from areas of high infection rates to self-quarantine for two weeks upon arrival, Connecticut [Gov. Ned Lamont announced the update Tuesday](#); New York, Connecticut, and New Jersey formed the tri-state advisory back in late June. California, Hawaii, Maryland, Minnesota, Nevada and Ohio were removed from the list in this week's update; Puerto Rico was put back on the list after being taken off last week. There are currently 30 U.S. states and territories impacted by the advisory.

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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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