

Tuesday, September 22, 2020

To: New York Community Banks

FROM ICBA

Stimulus package campaign continues

ICBA continues calling on community bankers to [urge lawmakers](#) to include common-sense policies in the next economic stimulus package. A customizable message on ICBA's [Be Heard grassroots action center](#) advocates forgiving Paycheck Protection Program loans under \$150,000, excluding PPP loans from regulatory asset thresholds, providing a lender safe harbor, and more. ICBA last week continued its push for Congress to pass standalone PPP forgiveness legislation in separate letters with other business groups and with 44 state community banking associations. On Friday, the FDIC told ICBA it is working to address the impact of PPP loans on regulatory asset thresholds, though ICBA continues advocating legislation directing the agencies to exclude PPP loans. [Contact Congress now.](#)

Video offers latest on coronavirus impact

The latest Market Watch Weekly News video from ICBA Securities and Vining Sparks spotlights recent economic indicators, such as the latest on housing starts as well as builder and consumer confidence. The weekly video also plots the retail recovery, recaps the Fed's latest monetary policy statement, and previews the week to come. [View the video.](#)

FDIC working on PPP asset-threshold impact: McWilliams

The FDIC is exploring options to address the impact of Paycheck Protection Program loans on regulatory asset thresholds, FDIC Chairman Jelena McWilliams [told ICBA](#). Responding to ICBA's call for federal regulators to exclude PPP loan balances from bank and bank holding company thresholds, McWilliams said the FDIC appreciates this concern and is considering targeted adjustments to mitigate unintended consequences from PPP lending.

In its [letter](#), ICBA said the agencies should quickly amend regulations so the PPP won't push community banks over regulatory thresholds, subjecting them to additional burdens. ICBA noted that while it has already asked [House](#) and [Senate](#) lawmakers to pass legislation directing the agencies to exclude PPP loans from asset thresholds, regulators are already authorized to do so. ICBA will continue working with regulators and Congress to ensure community banks are not punished for their leading role in supporting small businesses during the coronavirus pandemic.

ICBA Statement on Fed Community Reinvestment Act Notice

Independent Community Bankers of America (ICBA) President and CEO Rebeca Romero Rainey released the following statement on today's Federal Reserve [advance notice of proposed rulemaking](#) on reforming Community Reinvestment Act regulations. "With a mission of maximizing the availability of financial services and credit in local communities, ICBA and the nation's community banks appreciate regulatory efforts to modernize the Community Reinvestment Act. Today's Federal Reserve advance notice of proposed rulemaking on reforming CRA rules is a constructive step toward a clearer and more consistent framework. "The Fed's request for feedback on provisions to define activities that qualify for CRA credit, provide dashboards to track progress, and avoid mandates on geographically tracking deposits for small banks are positive steps to enhance clarity and transparency. Further, the ANPR's request for comment on allowing smaller community banks to remain under the existing CRA framework is a positive approach to help avoid excessive burdens and a one-size-fits-all approach on these local institutions. "While ICBA generally supports modernizing CRA regulations to enhance transparency and reflect banking industry changes driven by technology, community banks remain concerned that agency efforts will impose new data-collection costs and regulatory complexity that could inhibit their ability to serve local communities. "ICBA will fully review today's Fed proposal with our member community banks to assess how it may affect their ability to meet the needs of their communities, including low- and moderate-income individuals. We look forward to continuing to work with the Fed on CRA modernization."

FROM THE WHITE HOUSE

"President Trump [declared](#) September 20-26, 2020 as National Small Business Week. In response to President Trump's proclamation, SBA is hosting a [National Small Business Week Virtual Conference](#) which offers free educational webinars, free business advice, and an opportunity to network with fellow business owners. Individuals interested in the conference can register [here](#).

"As part of the whole-of government economic response to the coronavirus, the Trump Administration has delivered nearly three-quarters of a trillion dollars in timely economic relief to millions of distressed small business enterprises and their employees, including \$525 billion in Paycheck Protection Program (PPP) loans, \$190 billion in COVID-19 Economic Injury Disaster Loans (EIDL), \$20 billion in EIDL Advance grants, and additional healthcare funding."

FROM OTHER SOURCES

- The Government Accountability Office said in a new report that groups representing lenders have concerns about the uncertainty around the process to get Paycheck Protection Loans forgiven, and the watchdog expressed its ongoing worries over potential fraud in the separate Economic Injury Disaster Loan program. The GAO said, however, that the federal government has reclaimed about 57 percent of payments, or \$700 million of \$1.2 billion, in stimulus money sent to people who have died. ([Bloomberg](#))
- House Democrats unveiled a short-term spending bill on Monday that Senate Republicans immediately denounced, raising the prospect of a government shutdown weeks before the November election. The House and Senate must pass identical versions of the bill in order for President Trump to sign it. https://www.washingtonpost.com/us-policy/2020/09/21/congress-government-funding-shutdown/?mkt_tok=eyJpIjoiTURsak56Sm1aVGRtWWpFeSIsInQiOiJwRzhVTUJ5MWFUVzk0UFp1NHBWdG1ReUVwd2RRWngxQUoxRUwyYXk2bEpGSjBIYnM5cVpKcXdqNUg4UE92WE5YNTM3MnVGUWFVeTU4cEpBRjhoR2prNjk2ZkNjVHQ1c1MxOTVFS3pQYldzQytKckhXZnBDaU5oTIRnOUJ6UkluSSJ9
- Federal Reserve Chair Jerome Powell was once on the verge of being fired by President Donald Trump for not doing enough to turbocharge the U.S. economy. However, Powell's pandemic response has garnered bipartisan praise, and he stands a decent chance of keeping his job no matter who is elected president. https://www.politico.com/news/2020/09/21/fed-powell-trump-another-term-419679?mkt_tok=eyJpIjoiTURsak56Sm1aVGRtWWpFeSIsInQiOiJwRzhVTUJ5MWFUVzk0UFp1NHBWdG1ReUVwd2RRWngxQUoxRUwyYXk2bEpGSjBIYnM5cVpKcXdqNUg4UE92WE5YNTM3MnVGUWFVeTU4cEpBRjhoR2prNjk2ZkNjVHQ1c1MxOTVFS3pQYldzQytKckhXZnBDaU5oTIRnOUJ6UkluSSJ9

FROM NEW YORK

- Governor Cuomo issued a new executive order (see attached) over the weekend [extending a moratorium](#) on commercial evictions until Oct. 20, but some [housing advocates worry](#) tenants might be out of luck in the upcoming weeks. Another ongoing order and a new public health order from the Centers for Disease Control also bars landlords from evicting tenants for at least a few more months. Housing activists say additional gubernatorial action is needed to protect New Yorkers with active eviction warrants when some protections expire Oct. 1.
- U.S. Attorney General William Barr plans to withhold \$7 billion in federal aid for New York City, which he designated a so-called "[anarchist jurisdiction.](#)" Governor Cuomo announced that the [state will fight the federal government](#) in court if necessary to block the cuts, and described the issue as the latest round of the federal government intruding on state rights.

- The state would have an extra \$700 million or so to spend if only it could cut down on overpayments and waste, according to NYS Comptroller DiNapoli. “The state is facing budget gaps of billions of dollars because of the COVID-19 crisis and needs to find cost savings wherever it can,” [he said in a Monday press release](#). “Hundreds of millions of dollars could be saved with better financial and management controls over the state’s Medicaid program.”
- The mental health crisis wrought by the coronavirus pandemic has grown more challenging in the face of a fiscal crisis in New York, with [providers among the first to see their state funding withheld or cut](#) because of the state’s multibillion-dollar budget gap.
- A new restaurant industry survey found that nearly 90% of restaurants in New York City were unable to pay full rent in August, with 34% unable to pay any rent at all; those numbers have risen over the past three months despite the addition of outdoor dining, [Gothamist reports](#).

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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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