

Tuesday, September 29, 2020

To: New York Community Banks

FROM ICBA

PPP loan-forgiveness problems make news

Politico reported on the frustrations of community banks and other lenders with the Paycheck Protection Program's loan-forgiveness process. The [report](#) notes that while policymakers pledged to forgive PPP loans if employers maintained payroll, the SBA has yet to forgive any of the program's \$525 billion in loans, which is creating headwinds for borrowers and lenders. "No bank I know anywhere in the country has received any money from the SBA," said Brad Bolton, ICBA vice chairman and president and CEO of Community Spirit Bank in Red Bay, Ala. ICBA continues urging community bankers to [call their members of Congress](#) and urge support for legislation to simplify PPP loan forgiveness. The bipartisan Paycheck Protection Small Business Forgiveness Act (H.R. 7777/S. 4117) would provide simplified forgiveness for PPP loans of \$150,000 or less. ICBA last week continued its campaign for simplified forgiveness in a [written statement](#) for a House subcommittee hearing, noting a Government Accountability Office [report](#) that complex PPP forgiveness applications could take up to 15 hours for borrowers to complete and 75 hours for lenders to review.

CALL CONGRESS NOW

Hearings on fintech payments, PPP fraud

The House Financial Services Committee has a virtual subcommittee [hearing](#) set for today on the legal framework governing who can lend and process payments in the fintech age. The House Small Business Committee has a subcommittee [hearing](#) Thursday on preventing fraud and abuse within the Paycheck Protection Program and Economic Injury Disaster Loans program.

FROM OTHER SOURCES

- In the latest round of coronavirus aid proposals, Democrats have offered a \$2.2 trillion economic relief package, as House Speaker Nancy Pelosi (D-Calif.) and Treasury Secretary Steven Mnuchin resumed discussions on the matter, with the two speaking Monday night and reportedly agreeing to speak again this morning. The Democratic plan, which has a price tag higher than Mnuchin said he is open to, would include another round of stimulus payment and renew the \$600 additional unemployment benefits. ([The Washington Post](#))
- Stimulus talks between the Trump administration and congressional Democrats will reach a fork in the road on Tuesday as both sides either quickly seal a deal or the House moves to pass a Democratic proposal and leave town for pre-election campaigning. https://www.bloomberg.com/news/articles/2020-09-29/trump-administration-and-house-face-reckoning-on-virus-relief?mkt_tok=eyJpIjoiTVRabE1Ua3hZMIF3TIRFMiIsInQiOiJhWXloYnMxRUN0OHpcL3Btcmp1akxldElScDJZcU9yR0JwZkZMWGF1cGRuckRGQVhZempOV0doRWZZMXBjNHRNZURlbnJXRUFHRDFkYUdyWFJNTmM3RIR1VXVLcUJvbFpwNFdUbW9LTlpoa1RIQngxbEd2RWNoTWVEldlCMGI4Y1YifQ%3D%3D
- House Democrats rolled out a smaller version of its \$3.4 trillion Heroes Act, a \$2.2 trillion measure that has been deemed too costly by the White House and Senate Republicans but includes some of Trump's priorities. ([The Washington Post](#))
- The Payroll Protection Program enacted this past spring has helped millions of employers and workers survive an economy that was in freefall from COVID-related closures. Now, with the recovery underway, those same small businesses will face a surprise \$100 billion tax hike if Congress fails to act soon. <https://morningconsult.com/opinions/stop-the-surprise-small->

[business-tax-increase/?mkt_tok=eyJpIjoiTVRabE1Ua3hZMlF3TIRFMiIsInQiOiJhWXloYnMxRUN0OHpcL3BtcmlakxldEiScDJZcU9yR0JwZkZMWGF1cGRuckRGQVhZempOV0doRWZZMXBjNHRNZURlbnJXRUFHRDFkYUdyWFJNTmM3RIR1VXVlLcUJvbFpwNFdUbW9LTlpoa1RIQngxbEd2RWNoTWVEldCMGI4Y1YifQ%3D%3D](https://www.business-tax-increase/?mkt_tok=eyJpIjoiTVRabE1Ua3hZMlF3TIRFMiIsInQiOiJhWXloYnMxRUN0OHpcL3BtcmlakxldEiScDJZcU9yR0JwZkZMWGF1cGRuckRGQVhZempOV0doRWZZMXBjNHRNZURlbnJXRUFHRDFkYUdyWFJNTmM3RIR1VXVlLcUJvbFpwNFdUbW9LTlpoa1RIQngxbEd2RWNoTWVEldCMGI4Y1YifQ%3D%3D)

- Governor Cuomo announced he [is extending](#) a state ban on residential evictions through the end of 2020, noting: “I want people to have fundamental stability in their lives.” The existing moratorium was set to expire October 1. Housing advocacy groups have been warning of a surge in evictions and homelessness once protections run out, in the absence of substantial rental assistance.
- Covid-19 cases are on the rise again across the United States as more states have loosened restrictions put into place to slow the spread, [NBC News figures](#) showed Monday. On Friday, the U.S. logged 55,759 cases — the largest single day total in a month. The global death toll from the virus [passed 1 million](#) with the U.S. continuing to account for over a fifth of those fatalities . “We’re not in a good place,” Dr. Anthony Fauci, the nation’s leading expert on infectious diseases, warned Monday. <https://www.nbcnews.com/news/us-news/covid-cases-climbing-again-u-s-while-fauci-warns-we-n1241256>

FROM NEW YORK

- New York City and the state [reported new spikes](#) in coronavirus infections on Monday, just as the city embarks on one of the biggest weeks of its reopening process to date. Elementary schools set to open today followed by indoor dining on Wednesday, and middle and high schools on Thursday. New York City’s positive coronavirus test rate [is up to](#) 1.93 percent, while the statewide rate hit 1.58 percent — the [highest number](#) since mid-July. The figures are driven, Gov. Andrew Cuomo said, by clusters in Brooklyn, and in Rockland and Orange counties, where ten zip codes collectively [account for](#) more than a quarter of new cases in the entire state. <https://www.nbcnewyork.com/news/local/new-nyc-shutdowns-loom-as-covid-19-clusters-grow-3-3x-average-more-nabes-added-to-watchlist/2639175/>
- The unemployment rate in New York City is 16%, twice as high as the rest of the country. Personal income tax revenue is expected to drop by \$2 billion this fiscal year. Only a third of hotel rooms are occupied, and apartment vacancies in Manhattan have hit a peak. The virus has killed 24,000 people in the city, sapped hundreds of thousands of jobs and billions of dollars in tax revenue. Even as the city has contained the spread of the coronavirus, it has been unable to exert control over the threat to its economy, and numerous economic indicators suggest it will face an extended financial crisis, [The New York Times reports](#).
- Erie County grants totaling \$10 million will assist those struggling to make their mortgage and rent payments as a result of COVID-19, [The Buffalo News 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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