

Wednesday, September 30, 2020

To: New York Community Banks

## FROM ICBA

### Groups join ICBA in PPP forgiveness push

ICBA and other financial services groups [urged Congress](#) not to leave Washington without passing bipartisan legislation to simplify the Paycheck Protection Program forgiveness process. In a joint letter, the groups urged passage of the Paycheck Protection Small Business Forgiveness Act (H.R. 7777/S. 4117), which would provide simplified forgiveness for PPP loans of \$150,000 or less. ICBA continues urging community bankers to [call their members of Congress](#) and urge support for the legislation to preserve the success of the PPP.

### Agencies finalize temporary appraisal relief

Federal regulators [finalized a rule](#) that temporarily defers appraisal and evaluation requirements for up to 120 days after the closing of certain residential and commercial real estate transactions. The rule will allow individuals and businesses to more quickly access real estate equity amid the coronavirus pandemic. It is effective upon publication in the Federal Register and will expire on Dec. 31. In a June [comment letter](#), ICBA expressed support and asked regulators to make the changes permanent.

### Agencies neutralize reg impact of liquidity facilities

Regulators [approved](#) a final rule designed to neutralize the regulatory capital and liquidity effects of participating in the Federal Reserve's Paycheck Protection Program Liquidity Facility and Money Market Mutual Fund Liquidity Facility. The agencies said there is no credit or market risk associated with exposures pledged to these facilities and the rule will support the flow of credit. The effective date is 60 days after publication in the Federal Register.

## FROM OTHER SOURCES

- House Speaker Pelosi and Treasury Secretary Mnuchin spoke on the phone about a new economic stimulus package yesterday, and are scheduled to talk again today. Mnuchin is reportedly expected to have a more detailed response to Democrats' \$2.2 trillion stimulus proposal. Both Pelosi and White House chief of Staff Meadows expressed optimism yesterday that stalled talks over a new stimulus package could make some progress in this new round of negotiations. ([The Washington Post](#))
- The Treasury Department said Tuesday it would begin forgiving loans granted to small-business owners under the Paycheck Protection Program, following banks' and borrowers' complaints that the process had been bogged down. The government expects to approve and pay forgiveness requests by late this week or early next, a Treasury spokesperson said. [https://www.wsj.com/articles/u-s-to-start-forgiving-ppp-loans-after-borrowers-complained-11601414687?mkt\\_tok=eyJpIjoiWmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFwveHhtSTJFbDhBTUlkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXc9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUIifQ%3D%3D](https://www.wsj.com/articles/u-s-to-start-forgiving-ppp-loans-after-borrowers-complained-11601414687?mkt_tok=eyJpIjoiWmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFwveHhtSTJFbDhBTUlkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXc9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUIifQ%3D%3D)
- The pandemic has battered New York City businesses, with almost 6,000 closures, a jump of about 40% in bankruptcy filings across the region and shuttered storefronts in the business districts of all five boroughs. It's going to get worse. [https://www.bloomberg.com/news/features/2020-09-29/new-york-city-bankruptcies-2020-pivotal-point-for-business-as-covid-cases-rise?mkt\\_tok=eyJpIjoiWmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFwveHhtSTJFbDhBTUlkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXc9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUIifQ%3D%3D](https://www.bloomberg.com/news/features/2020-09-29/new-york-city-bankruptcies-2020-pivotal-point-for-business-as-covid-cases-rise?mkt_tok=eyJpIjoiWmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFwveHhtSTJFbDhBTUlkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXc9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUIifQ%3D%3D)
- Banks said "overly restrictive" terms for borrowers discouraged them from approving more loans under the Federal Reserve's Main Street Lending Program, while others cited "unattractive" terms for lenders for not participating at all, a new Fed survey showed. "Major fractions of banks of all

sizes indicated that the loss sharing with the MSLP in the event of a default was too uncertain, and that the required certifications and covenants were too restrictive for the bank," the Fed said Tuesday in releasing the results of a special edition of its Senior Loan Officer Opinion Survey on Bank Lending Practices. [https://www.bloomberg.com/news/articles/2020-09-29/banks-blame-tight-terms-for-fed-main-street-program-s-slow-start?sref=GogtSA14&mkt\\_tok=eyJpIjoiWmmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFWveHhtSTJFbDhBTUIkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXC9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUifQ%3D%3D](https://www.bloomberg.com/news/articles/2020-09-29/banks-blame-tight-terms-for-fed-main-street-program-s-slow-start?sref=GogtSA14&mkt_tok=eyJpIjoiWmmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFWveHhtSTJFbDhBTUIkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXC9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUifQ%3D%3D)

- Consumers are growing more optimistic about the state of the U.S. economy, according to September surveys, as the labor market continued to gradually improve and a summer coronavirus surge receded in parts of the country. The Conference Board, a private research group, said its index of consumer confidence surged to 101.8 in September, from a revised 86.3 in August. [https://www.wsj.com/articles/consumers-grow-more-confident-about-u-s-economy-11601404560?mkt\\_tok=eyJpIjoiWmmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFWveHhtSTJFbDhBTUIkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXC9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUifQ%3D%3D](https://www.wsj.com/articles/consumers-grow-more-confident-about-u-s-economy-11601404560?mkt_tok=eyJpIjoiWmmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFWveHhtSTJFbDhBTUIkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXC9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUifQ%3D%3D)
- After a slight decrease last week, consumer confidence recovered this week to its highest point since mid-March. However, the rate at which consumer confidence is growing at the end of the month is not as great as it was throughout August and early September. [https://morningconsult.com/form/consumer-confidence-dashboard/?mkt\\_tok=eyJpIjoiWmmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFWveHhtSTJFbDhBTUIkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXC9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUifQ%3D%3D](https://morningconsult.com/form/consumer-confidence-dashboard/?mkt_tok=eyJpIjoiWmmpsak56TmxNbUprTXpkbSIsInQiOiJkc2FLVzgzUmt4dmtYRVRBMEFLS1VPcVwvUmVYTzJ5TERLc3RiZFWveHhtSTJFbDhBTUIkM3kxUXFTbXNZMTA0MHVSUhlzUmVsK2hITk9HZ1NCZzFveXpOXC9CQktlVHN3dzg4aGhSd056R1dWNktlRjdzYXdOMXdVSnpNd1JcL0NMOUifQ%3D%3D)

## FROM NEW YORK

- New York reported 25,470 total statewide deaths of New Yorkers who tested positive for COVID-19. There were 2 more fatalities in New York yesterday. For more numbers, including the latest statewide and borough-by-borough statistics, [click here](#).
- New York City's positive coronavirus test rate **has topped 3 percent** for the first time in months, as the city battles clusters of the virus in nine neighborhoods in Brooklyn and in Queens. If the rise continues, it could force the shutdown of the city's public school system, which just reopened Tuesday for in-person education at the elementary school level. It also comes a day before indoor dining is scheduled to reopen in the city. The city's daily rate hit 3.25 percent on Tuesday, Mayor Bill de Blasio said. On a seven-day average, the rate stands at 1.38 percent.
- State hospitalization rates have risen for more than a week and rates of infection are rising statewide to roughly the level last seen in July. [Ongoing clusters](#) within Hasidic Jewish communities in New York City, Orange County and Rockland County are driving the increases, [according to the latest state data](#), which Governor Cuomo says means there is no need to immediately implement a new round of social distancing restrictions statewide unless the clusters lead to broader community spread in the upcoming days.
- A steep increase in the daily rate of positive coronavirus tests in a handful of New York communities is cause for alarm and action, and Cuomo, New York City Mayor Bill de Blasio and other New York officials need to work together, and quickly, [The New York Times writes](#). Cuomo and de Blasio learned the hard way in spring the deadly cost of even slight delays in responding to the rising number of COVID-19 cases, so both must act decisively – and in a coordinated way – to contain growing coronavirus clusters in 11 New York ZIP codes, [the Daily News writes](#).

- Governor Cuomo is still holding off on acting sooner rather than later to address the state budget crisis. “If Trump wins again, and the Senate Republicans win ... Yes, we have a terrible economic forecast.” But there are renewed hopes that a new round of federal stimulus funding could happen in the upcoming weeks. House Speaker Pelosi is pushing for a [\\$2.2 trillion proposal](#) that would include more stimulus checks, renewed unemployment insurance, and billions in funding for state and local governments. The House is aiming to reach a deal with the White House before voting on any new stimulus legislation, [CNBC reported Tuesday](#).
- After Governor Cuomo announced the extension for residential renters suffering financial hardship due to the effects of COVID-19 pandemic, housing advocates called for a broad ban of residential tenant evictions, [State of Politics reports](#).
- Federal unemployment data shows the number of New Yorkers telling the government they've been out of work for more than six months is steadily climbing, [the Times Union reports](#).
- One in every 1,000 children in New York state [lost a parent](#) or caregiver to Covid-19 between March and July, according to a new study.

#####

**IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.**

- **John J. Witkowski, President & CEO ([Johnw@ibanys.net](mailto:Johnw@ibanys.net); 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations ([Stever@ibanys.net](mailto:Stever@ibanys.net))**