

Thursday, October 15, 2020

To: New York Community Banks

FROM ICBA

PPP forgiveness bills advance without stimulus deal

House and Senate lawmakers are lining up legislative vehicles to advance ICBA-advocated language to simplify Paycheck Protection Program loan forgiveness, though final passage is elusive and requires continued grassroots outreach by community bankers and small-business owners. In the House, 185 Republican lawmakers have signed onto a [petition](#) that would force a vote on legislation to simplify PPP forgiveness, reopen applications for remaining funds, and add liability protections for lenders. The discharge petition nevertheless lacks the needed support of the Democratic majority and is not expected to pass. The Senate could vote as early as next week on similar PPP reform proposals from Senate Small Business Committee Chairman Marco Rubio (R-Fla.), including simplified forgiveness. That measure isn't expected to advance further in Congress given ongoing stimulus negotiations. Meanwhile, ICBA continues calling on [community bankers](#) and [small-business owners](#) to urge Congress to immediately pass separate simplification legislation with bipartisan support—the Paycheck Protection Small Business Forgiveness Act (H.R. 7777/S. 4117). In an op-ed this week on [Medium](#), ICBA President and CEO Rebeca Romero Rainey wrote that policymakers can advance the economic recovery despite the stalled stimulus negotiations by passing the bipartisan bill, which would simplify forgiveness for loans of \$150,000 or less.

[COMMUNITY BANK ALERT](#)

[SMALL BUSINESS ALERT](#)

ICBA launches PPP video series

ICBA this week launched a series of videos featuring small-business owners who successfully received Paycheck Protection Program loans from community banks, often after megabanks proved unresponsive. The video series on the updated [banklocally.org](#) includes several entrepreneurs from across the country whose local community banks worked around the clock to process their loans as the coronavirus pandemic hit. ICBA will feature the new videos on its social media channels in the coming days with the #BankLocally hashtag and encourages community banks and small businesses to submit their positive stories to [banklocally.org](#).

Banks healthy amid pandemic: Quarles

U.S. banks have remained financially healthy throughout the coronavirus pandemic even while combatting the economic downturn, Fed Vice Chair for Supervision Randal Quarles [said](#). Quarles said that while bank leadership on Paycheck Protection Program lending and loan forbearance has put a strain on balance-sheet capacity, most banks remain profitable and are adding substantially to their loan-loss reserves to remain resilient.

Clarida: GDP could grow 30% in Q3

The recession caused by the coronavirus pandemic was by far the deepest in postwar history, but it might also turn out to be the briefest, Fed Vice Chair Richard Clarida [said](#). Clarida said macroeconomic data has been surprisingly strong since May and could result in a 30 percent third-quarter GDP increase.

FROM OTHER SOURCES

- House Speaker Pelosi and Treasury Secretary Mnuchin are [speaking Thursday](#) in another effort to reach a deal on a new federal stimulus deal. The White House has floated a \$1.8 trillion deal, but Pelosi said that more funding is needed to help states deal with the pandemic and its economic fallout.
- Treasury Secretary Mnuchin said reaching a deal on a new economic stimulus package before the election would be "difficult, just given where we are," following an hour-long conversation he had with House Speaker Pelosi, although her spokesman called the discussion "productive" and

said the pair would speak again today. Pelosi reportedly told House Democratic leaders the White House is "not addressing the problem," referring to the Trump administration's refusal to embrace a national strategic testing plan, though Pelosi and Mnuchin have agreed on a fresh round of \$1,200 stimulus checks. ([The Washington Post](#))

- Wells Fargo & Co. has fired more than 100 employees for allegedly defrauding the Small Business Administration "by making false representations in applying for coronavirus relief funds for themselves," according to an internal memo. Similarly, JPMorgan Chase & Co. earlier found that 500 employees had used the Economic Injury Disaster Loan program, with dozens doing so improperly. ([Bloomberg](#))
- Federal Reserve Vice Chair Clarida said even though the economy's recovery has been surprisingly strong after a heavy hit earlier in the year, it will need continuing support to recover what has been lost during the pandemic. He noted the downturn that struck earlier this year "may go into the record books as the briefest recession in U.S. history."
https://www.wsj.com/articles/feds-clarida-says-continuing-support-will-be-needed-to-sustain-recovery-11602680446?mkt_tok=eyJpIjoiTjJGaE1USTJNbVI4TURRMysIsInQiOiJhNlwwdUdWb0FDDeERwbG1BT3pcL1M2R2RWZVwvekNNa2c1bndYU3gyZkpYcGJIK1FhNGRwbjhZWGlseW1KdVMxYWNnU2VWelJNMzZzSThOZzEyS09kN2tnbGp4YkRCVnM0aM2TmZJRldwWkxldk4rU1JEaTcrTE11bW16eWJNR01hRCJ9

FROM NEW YORK

- As Speaker Pelosi and Treasury Secretary Mnuchin prepare for more talks tomorrow on another coronavirus package, additional aid could help New York avoid 20% budget cuts to public schools and local governments. If that does not happen, then cuts, additional borrowing and tax increases are likely. Here's a review of how far [new taxes on the wealthy](#) in general – and [stock transfers](#) in specific – might help plug the state's approximately \$14 billion hole in its current budget.
- Some say a [second wave could hit](#) New York soon. Others argue the [first wave never really broke](#) nationwide. [New York Magazine writes](#) that a third wave this fall and winter could rival the spring in terms of daily rates of death and infection across the country.
- Pandemic conditions are [getting worse](#) in a majority of states, including New York, where cases, hospitalizations and daily deaths have been [trending upward](#), though the [latest state data](#) shows the health care system is nowhere near as strained as it was in the spring. Compare that to states like Wisconsin, where a [new field hospital](#) is going up, or North Dakota, which is [just 20 patients away](#) from running out of intensive care units.
- New York reported 25,605 total statewide deaths of New Yorkers who tested positive for COVID-19. There were 7 more fatalities in New York yesterday. For more numbers, including the latest statewide and borough-by-borough statistics, [click here](#).
- The bottom line: the coronavirus is still spreading at significant levels in many regions of the state. "My anxiety level has been at a 10 ever since this whole COVID situation started," [Cuomo told CNN Wednesday morning](#).

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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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