

Monday, October 26, 2020

To: New York Community Banks

## FROM ICBA

### **ICBA: Wall Street's Cohn wrong about community banks**

Former Goldman Sachs executive Gary Cohn's remarks about community banks at a recent American Bankers Association event show that Wall Street has little understanding of Main Street, ICBA President and CEO Rebeca Romero Rainey wrote in a [new BankThink op-ed](#). After Cohn claimed community banks have been diminished during the pandemic as more customers seek digital transactions, Romero Rainey responded that they have actually proven themselves once again through nimble decision-making, personal relationships, and technological innovation. "Contrary to Cohn's hot take as a National Economic Council ex-official, these challenging times have elevated the role of community banks, which have paired technological prowess with relationship-based banking to serve as predominant lenders, particularly under the Paycheck Protection Program," she wrote. ICBA is raising the profile of community banks' PPP response with a series of videos from small-business owners on [banklocally.org](#), ICBA's site encouraging small businesses and consumers to find a community bank.

### **READ THE OP-ED**

### **Bill would exclude PPP loans from regulatory thresholds**

New ICBA-advocated House legislation would prevent regulatory penalties for community banks with \$15 billion or less in total assets due to their Paycheck Protection Program lending. As ICBA said in letters to Congress and federal regulators since August, the surge of PPP loans has swelled the balance sheets of community banks, inadvertently subjecting them to additional supervision, regulations, and costs. Introduced by Reps. Barry Loudermilk (R-Ga.) and David Scott (D-Ga.), the Preventing Regulatory Penalties for PPP Lenders Act would direct regulators to exclude PPP loan balances from bank and bank holding company regulatory thresholds within 30 days. The bill follows the FDIC's release of an [ICBA-advocated](#) interim rule that allows community banks to use their 2019 asset sizes for 2021 auditing and reporting requirements under Part 363, allowing some 290 community banks to avoid new regulatory costs caused by PPP lending.

### **Grassroots needed on EIDL advances**

ICBA is urging community bankers to direct borrowers to ICBA's [small-business alert](#) addressing Economic Injury Disaster Loan Advance deductions from PPP forgiveness amounts. ICBA also offers a separate alert for [community bankers](#). More than 1 million PPP borrowers are beginning to realize their EIDL advance grants are converting to as much as \$10,000 in unexpected debt during the PPP forgiveness process. The conflict also has left community banks with balances on their books for EIDL advances originated by the SBA. In addition to ICBA's grassroots alerts on the EIDL-PPP issues, [community bankers](#) and [small-business owners](#) can also continue calling their members of Congress in support of bipartisan legislation to simplify PPP forgiveness.

## FROM OTHER SOURCES

- House Speaker Pelosi said she is waiting for a counteroffer from Treasury Secretary Mnuchin today on a stimulus package. Congressional aides on both sides of the aisle said little progress was made in weekend negotiations. White House chief of staff Meadows, meanwhile, said that Pelosi keeps "moving the goalposts" on a deal. ([Bloomberg](#))

- Democrats said the White House needs to work harder to get Senate Republicans on board with a coronavirus stimulus package, and President Trump said Speaker Pelosi is dragging out talks for political benefit, [The Wall Street Journal reports](#).

#### **FROM NEW YORK**

- Governor Cuomo commented Sunday on White House Chief of Staff Mark Meadows’s statements about not being able to control the pandemic, calling President Donald Trump’s response to COVID-19 “the great American surrender,” [the Times Union reports](#).
- New Jersey and New York each reported nearly 2,000 positive cases of the coronavirus on Saturday, daily totals that haven't been as high for each state since May. In New York, the overall infection rate remains low, but the state recorded 2,061 new cases of COVID-19, the highest daily total since May 21. Total hospitalizations were 1,045, up by 22 from the previous day. The daily death toll was in the low double digits (11), continuing the trend of recent weeks. <https://www.nbcnewyork.com/news/coronavirus/nj-virus-cases-spike-75-reach-almost-2k-for-the-first-time-since-may/2685817/>
- To read Governor Cuomo's full Saturday update: <https://www.governor.ny.gov/news/governor-cuomo-updates-new-yorkers-states-progress-during-covid-19-pandemic-51>
- In an op-ed in the Daily News, Governor Cuomo laid out his plan to defeat the coronavirus in New York. [https://webcache.googleusercontent.com/search?q=cache:9RnNj\\_GrAbcJ:https://www.nydailynews.com/opinion/ny-oped-our-battleplan-in-the-latest-covid-warfront-20201025-vage4wh6tjakjcv2c5qkjt5pze-story.html+&cd=4&hl=en&ct=clnk&gl=us](https://webcache.googleusercontent.com/search?q=cache:9RnNj_GrAbcJ:https://www.nydailynews.com/opinion/ny-oped-our-battleplan-in-the-latest-covid-warfront-20201025-vage4wh6tjakjcv2c5qkjt5pze-story.html+&cd=4&hl=en&ct=clnk&gl=us)
- With Democrats [on the verge of winning a supermajority](#) in the state Senate – and the ability to override Cuomo’s veto that goes with it – the Legislature is poised to move left next year, but the governor’s expansive power and moderate legislators will continue to serve as potent checks. If the Democrats *do* win that supermajority, here are the [five biggest issues they’re likely to tackle](#).

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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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