

Wednesday, October 7, 2020

To: New York Community Banks

FROM ICBA

SBA starts PPP forgiveness amid relief push

The SBA said it began approving Paycheck Protection Program forgiveness applications and sending payments to lenders on Friday, Politico reported.

The announcement offers the first glimmer of certainty for borrowers and lenders over forgiveness of PPP loans, nearly 60 percent of which were originated by community banks. The SBA began accepting forgiveness applications in August and has 90 days to act on them. The agency recently told Congress that it has received forgiveness requests for less than 2 percent of PPP loans as lawmakers consider ICBA-advocated legislative proposals to streamline the forgiveness process. With congressional and administration officials on Tuesday calling off negotiations over another economic stimulus package, ICBA continues urging community bankers to [call](#) their members of Congress and [enlist](#) the support of small-business contacts on behalf of a standalone PPP forgiveness reform bill. ICBA's Be Heard grassroots action center includes call alerts for [small-business owners](#) and [community bankers](#) on behalf of legislation to forgive PPP loans of \$150,000 or less.

[COMMUNITY BANK ALERT](#)

[SMALL-BUSINESS ALERT](#)

Powell urges policymakers to spend as stimulus talks halt

Congress and the Trump administration should spare no expense in advancing another round of economic stimulus, Federal Reserve Board Chair Jerome Powell said. In [remarks](#) to the National Association for Business Economics, Powell said too little fiscal support risks a weak recovery, whereas "overdoing it" with a greater policy response than needed will not go to waste. Powell's remarks came shortly before policymakers suspended negotiations on the next round of emergency stimulus spending.

FROM OTHER SOURCES

- President Trump ordered Treasury Secretary Mnuchin to halt negotiations on coronavirus relief until after the election, accusing Speaker Pelosi of not negotiating "in good faith." ([The Washington Post](#)). Just hours later, the President suggested he would be open to Congress passing stand-alone measures to send direct payments to Americans, \$25 billion to assist the struggling airline industry and \$135 billion for the Paycheck Protection Program - a piecemeal approach that's been mostly rejected by Pelosi. ([The Associated Press](#))
- Before the President's comments, Federal Reserve Chairman Jerome Powell said at a conference that too little economic support could cause a weak recovery, which would create "unnecessary hardship." Powell added excess relief would not "go to waste." ([The Wall Street Journal](#)) <https://outlook.office365.com/mail/inbox/id/AAQkADk4NjAyMTcwLTdkN2MtNDY5YyIiNzhjLWZkZTAxYjFiOTFjYgAQAMyo3ltvoR9BpGnj1rFBvk%3D>.
- President Trump's decision to halt coronavirus stimulus talks with Congress means America's pandemic-stricken municipal governments aren't likely to get any financial help soon, ensuring additional rounds of spending cuts, layoffs and tax increases that [will deal a fresh hit](#) to any economic recovery.
- The Food and Drug Administration released new guidelines for coronavirus vaccine developers – a step that had been held up for two weeks by top White House officials – that make it highly unlikely that a vaccine could be authorized by Election Day, [the Times reports](#).

FROM NEW YORK

- New York reported 25,527 total statewide deaths of New Yorkers who tested positive for COVID-19, as of Oct. 5. For more numbers, including the latest statewide and borough-by-borough statistics, [click here](#).
- There's an old saying about brinksmanship in Albany: A deal has to come together and fall apart three times before it can be agreed to. But even by Albany standards, the uncertainty surrounding the latest coronavirus stimulus talks in Washington have been a fiasco for state and local governments awaiting some form of aid. [Read More](#)
- As positive test rates rose in a number of New York City neighborhoods, residents of the affected areas faced growing fear over another wave of the virus and uncertainty over officials' plans to address it, [The New York Times reports](#).
- New Yorkers are [about to readjust](#) to a new COVID reality, once again: New York is moving forward with a [targeted containment](#) of the virus in areas of Brooklyn and Queens as well as Orange, Rockland and Broome counties. The hope is to contain the virus now before it spreads elsewhere to a second wave in New York after a summertime lull of relatively low infection rates of less than 1% out of tens of thousands of tests. Schools could be closed, again. [Businesses could close](#), again. And that's to maintain a semblance of normalcy -- whatever that is right now - - elsewhere in New York.
- Major new pandemic shutdowns [are coming](#) to parts of Brooklyn and Queens, as well as some areas north of the city, under a plan announced by Gov. Andrew Cuomo to tackle coronavirus clusters threatening to spark a second wave.
- New York officials are creating three-tiered cluster zones around areas that have seen increases in coronavirus cases in recent weeks as officials seek to stamp down a potential second wave of the pandemic this fall. [Read More](#)
- SUNY Cortland is suspending in-person classes for two weeks after more than 100 cases of the coronavirus were reported in the past two weeks, [the Times Union reports](#). This appears to be part of a [wider problem](#) with the spread of COVID-19 in the Southern Tier, where cases at Binghamton University are just 22 short of triggering another campus shutdown. While this regional increase in cases represents a setback, the resumption of in-person classes at SUNY Oswego this week shows that public schools can bounce back after temporary shutdowns. A total of 429 cases have been reported through the 64-campus public university system since Sept. 26, according to the [SUNY COVID-19 case tracker](#).

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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; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)**