

Monday, November 23, 2020

To: New York Community Banks

FROM ICBA

Agencies respond to ICBA push on asset thresholds

Federal regulators announced ICBA-advocated relief from regulatory burdens caused by participating in federal coronavirus response programs. Under the [interim final rule](#), community banks that have crossed certain regulatory asset thresholds will be able to calculate their asset size during calendar years 2020 and 2021 based on the lower of either total assets as of Dec. 31, 2019, or total assets as of the normal measurement date. The rule applies to the community bank leverage ratio, the Fed's debit card interchange and routing rule, management interlocks, call reports, examination frequency rules, the Small Bank Holding Company Policy Statement, and other thresholds. It applies to institutions with less than \$10 billion in total assets as of Dec. 31, 2019. ICBA has told policymakers [since August](#) that the surge of PPP loans has swelled community banks' balance sheets, inadvertently subjecting them to additional regulatory burdens. Meanwhile, ICBA continues encouraging community bankers to [keep urging Congress](#) to include needed PPP and other reforms in the next economic stimulus package.

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ICBA calling for lame-duck grassroots

ICBA is calling on community bankers to [urge Congress](#) to pass much-needed economic stimulus measures during the lame-duck session. Community bankers can use ICBA's [Be Heard grassroots action center](#) to reach their lawmakers and learn more on the lame-duck session via ICBA's [2020 election analysis](#) and latest [Community Bank Briefing](#).

FROM OTHER SOURCES

- The House and Senate are on recess this week for Thanksgiving. The House will return on Dec. 1. The Senate will return on Nov. 30.
- President Trump has canceled plans to travel to Mar-a-Lago for Thanksgiving this year.
- President-elect Biden will spend the holiday with his family in Delaware.
- President-Elect Biden and his team are reportedly urging senior Democratic congressional leaders to cut a stimulus deal with Senate Republicans, even if it is smaller than Democrats have advocated. The New York Times has a [good story on this today](#). Mr. Biden met with Speaker Pelosi and Senate Minority Leader Schumer and they agreed a relief bill should include small business aid, state and local funding, expanded unemployment benefits and health care provisions. Mr. Biden has not contacted Senate Majority Leader Mitch McConnell.
- Federal Reserve Chair Powell has agreed to return unused coronavirus relief funds to the Treasury Department when the emergency lending facilities expire at the end of the year, following a request from Treasury Secretary Steven Mnuchin that garnered a public rebuke from the central bank. ([Politico](#))
- The SBA has begun asking some PPP borrowers to document why they needed the loans, drawing concern from advocacy and trade groups that say such disclosures weren't required when the businesses applied for aid. The Loan Necessity questionnaire is aimed at borrowers that took loans of \$2 million or more under PPP, the federal government's main coronavirus-aid initiative for small businesses. https://www.wsj.com/articles/ppp-borrowers-are-asked-to-justify-need-for-loans-over-2-million-11605903702?mkt_tok=eyJpIjoiWldOaVpXTmtPV1U0TVRsbCIsInQiOiIweWFsN2NUdVJGeXRtaIR0ZmJjd3JNd3k4VWhmVEQ5U2Zyb253UzJBMFFmYml4bEUyd3RyRGJDRjBaVWRWXC85ZnFQZkhwTTROWmdrR2lOaDBHYjZLVVA5Rm9MeXd3K2ZYNUZHVHozVUI0dWhMeWxaMDM4Vmxcl0JhWDIFOU5mOTI2In0%3D

- Treasury Secretary Mnuchin wants to revive stalled stimulus talks with congressional Democrats by proposing the use of untapped Federal Reserve relief funds as part of a new package of aid. Mnuchin's plan to shutter a number of the Fed's emergency-lending facilities ran into immediate opposition from Democrats. https://www.bloomberg.com/news/articles/2020-11-20/mnuchin-moves-to-restart-stimulus-talks-with-democratic-leaders?mkt_tok=eyJpIjoiWldOaVpXTmtPV1U0TVRsbCIsInQiOiIweWFsN2NUdVJGeXRTalR0ZmJjd3JNd3k4VWhmVEQ5U2Zyb253UzJBMFFmYml4bEUyd3RyRGJDRjBaVWRWXC85ZnFQZkhwTTROWmdrR2lOaDBHYjZLVVA5Rm9MeXd3K2ZYNUZHVHozVUI0dWhMeWxaMDM4Vmxcl0JhWDIFOU5mOTI2In0%3D
- The pandemic is intensifying, statewide curfews are back, negotiations in Washington are stalled . . . these factors are "derailing" the US economic recovery. . . and JPMorgan is warning the economy is in fact about to shrink. https://edition.cnn.com/2020/11/20/economy/economy-coronavirus-jpmorgan/index.html?mkt_tok=eyJpIjoiWldOaVpXTmtPV1U0TVRsbCIsInQiOiIweWFsN2NUdVJGeXRTalR0ZmJjd3JNd3k4VWhmVEQ5U2Zyb253UzJBMFFmYml4bEUyd3RyRGJDRjBaVWRWXC85ZnFQZkhwTTROWmdrR2lOaDBHYjZLVVA5Rm9MeXd3K2ZYNUZHVHozVUI0dWhMeWxaMDM4Vmxcl0JhWDIFOU5mOTI2In0%3D
- Two banks failed in October, the first to collapse since the start of the coronavirus pandemic. Some banking experts say they won't be the last. https://www.usatoday.com/story/money/2020/11/20/bank-failures-may-rise-covid-if-businesses-cant-recover-quickl/6283640002/?mkt_tok=eyJpIjoiWldOaVpXTmtPV1U0TVRsbCIsInQiOiIweWFsN2NUdVJGeXRTalR0ZmJjd3JNd3k4VWhmVEQ5U2Zyb253UzJBMFFmYml4bEUyd3RyRGJDRjBaVWRWXC85ZnFQZkhwTTROWmdrR2lOaDBHYjZLVVA5Rm9MeXd3K2ZYNUZHVHozVUI0dWhMeWxaMDM4Vmxcl0JhWDIFOU5mOTI2In0%3D
- Hundreds of thousands of college students are poised to leave campuses and travel home without taking a COVID-19 test, creating a significant health risk in their hometowns, [The Wall Street Journal reports.](#)

FROM NEW YORK

- Governor Cuomo updated New Yorkers on the state's progress during the ongoing COVID-19 pandemic. *Positive Testing Rate in All Focus Zone Areas is 4.39%; New York State Positivity Outside All Focus Zone Areas is 2.29% Statewide Positivity Rate is 2.74%*³⁰ *COVID-19 Deaths in New York State.* <https://empirereportnewyork.com/governor-cuomo-updates-new-yorkers-on-states-progress-during-covid-19-pandemic-11/>
- As COVID-19 cases rise in the state, restrictions instituted during the height of the pandemic have been slowly returning, but enforcing them is technically up to local governments – and **not every county is willing to impose them.**
- Governor Cuomo said upper Manhattan, parts of Staten Island and Long Island are **set to land** back into restrictive COVID-19 zones this week.
- [Gov. Andrew Cuomo](#) said the state had a record-high number of tests Friday, more than 207,000, and hospitalizations are the highest they've been since early June. In New York City alone, there were 118 new hospitalizations and more than 1,300 new cases, with the seven-day average infection rate at 3.11%.
- Governor Cuomo said Congress needs to extend and expand support for people who have lost their jobs due to the coronavirus pandemic. [Read More](#)
- New York City and state must pick one method of tallying the coronavirus test positivity rate for decision-making purposes, and because the state is making the vast majority of decisions about which restrictions to impose and when, it might hold the trump card, [the Daily News writes.](#)

- A curfew is in effect in a [COVID](#) hot spot in [New Jersey](#) and [New York](#) residents are gearing-up for a possible shutdown order, which is likely certain to happen after Thanksgiving
- New York State leads the nation in what it pays to the federal government compared to what it gets back from Washington, [according to a report](#) released by New York State Comptroller DiNapoli. New York taxpayers paid \$23.7 billion more in federal taxes than the state received in federal spending in federal fiscal year 2019.
- The workers who have taken the biggest hit from the pandemic have been those working frontline jobs in the hospitality sectors. Now restaurant workers in parts of the state with looming "red" zone designations are bracing for more restrictions and closures. [More here.](#)
- New York City Hall revealed late Friday that COVID-19 test positivity rates have ticked above 4% in 40 ZIP codes across the city as officials fear a second wave of the pandemic is building in the run-up to Thanksgiving, [the New York Post reports.](#)
- State Senate Democrats are just one declared victory away from snagging a supermajority following Friday's win in the 46th District by Democrat Michelle Hinchey, [the Times Union 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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