

Wednesday, November 25, 2020

To New York Community Banks:

2020 has been an interesting year! We at IBANYS want to wish all of you, your family and friends a safe, healthy and Happy Thanksgiving!

As always, we appreciate your support of IBANYS!!

Regards,

John, Linda, Steve and Bill

Note: IBANYS will not publish our update on Thursday morning, and will not publish on Friday unless circumstances dictate otherwise.

FROM ICBA

ICBA pushes back on PPP 'loan necessity' questionnaire

ICBA has raised questions about an SBA "loan necessity" questionnaire for Paycheck Protection Program loans of \$2 million or more that appears to go against the language of the CARES Act. In a recent [ICBA letter](#) to congressional leaders and separate joint letters to [lawmakers](#) and [agency heads](#), ICBA said the questionnaire has led many borrowers to justifiably fear that the SBA is altering PPP loan eligibility criteria after disbursement. PPP applicants have already certified that they applied due to economic uncertainty. However, the letters note, the SBA last month began distributing the questionnaire with questions about business conditions in the months after the loans were disbursed. The letters call on the SBA to temporarily suspend use of these questionnaires while they address these issues and work toward a better solution in line with the CARES Act and the PPP application.

Bills would address EIDL-PPP conflict

ICBA recently expressed strong support for [House](#) and [Senate](#) legislation that would restore forgiveness for Economic Injury Disaster Loan Advance recipients who also have a Paycheck Protection Program loan. Introduced by Sen. Marsha Blackburn (R-Tenn.) and Reps. Joe Neguse (D-Colo.) and John Curtis (R-Utah), S. 4885 and H.R. 8361 would address the problem of EIDL advances converting to unexpected debt during the PPP forgiveness process, which is detailed in a recent ICBA [op-ed on Medium](#). Community bankers can call on Congress to address the issue in the next economic relief bill via a custom letter to lawmakers on ICBA's [Be Heard grassroots action center](#).

FDIC podcast: Community banks have outsized PPP role

The FDIC's latest podcast discusses how community banks are punching above their weight in Paycheck Protection Program lending due to their symbiotic relationships with small businesses. In the podcast, FDIC researchers Diane Ellis and Angela Hinton dig into a recent [FDIC report](#) that used call report data to show that community banks hold a disproportionate share of PPP loans. [Listen to the podcast](#).

FROM OTHER SOURCES

- The \$455 billion in unspent Cares Act funding that Treasury Secretary Mnuchin recalled from the Fed's emergency lending facilities will be put into the Treasury Department's General Fund. That means Janet Yellen, reportedly President-Elect Biden's pick for Treasury Secretary, will need Congressional approval to restore the funds. ([Bloomberg](#))
- Bankruptcies, already a scourge during the pandemic, appear set to rise dramatically and will likely strike small firms disproportionately and that's bad news for more than just the business owners. https://fortune.com/2020/11/24/bankruptcy-covid-economy-small-business/?mkt_tok=eyJpIjoiTm9Oak5tSTNZV05qTnpJMiIsInQiOiJTaW9zMkIEOWxFcVRrRGlORVZNQ3JlNFU1a1Arc0FCK0NKUGd0WUIPclViXC9OaGxVVEh5aWRrMDIPakwrYk8wSi

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- Jobless claims likely held at a high level last week as the U.S. economic recovery navigates a surge in new coronavirus cases and tighter restrictions on businesses in some states. Economists expect unemployment claims ticked down to 733,000 last week from 742,000 a week earlier. https://www.wsj.com/articles/weekly-jobless-claims-coronavirus-11-25-2020-11606249439?mkt_tok=eyJpIjoiTm9kZS5tSTNZV05qTnpJMiIsInQiOiJTaW9zZmkiEOWxFcVRrRGIORVZNQ3J1NFU1a1Arc0FCK0NKUGd0WUIPclViXC9OaGxVVEh5aWRrMDIPakwrYk8wSitzSjROdXd2Wm1jZ3R1YzIYQjlUemk2UnVKeXRzSU9vNWZ2Q2JUVFg2SExZekcxQ1BiRkRJT0tLZXQ4aFRjS3AifQ%3D%3D
- New restrictions are taking effect in cities and states across the country as levels of [infections](#) and [hospitalizations](#) reach record levels nationwide. The only problem is that many people do not seem to be obeying the growing list of pandemic restrictions.
- The U.S. Centers for Disease Control and Prevention may shorten the length of time it recommends people self-quarantine after potential exposure to the coronavirus, hoping it will encourage more people to comply. CDC officials are finalizing recommendations for a new quarantine period of between seven and 10 days, and include a test to ensure a person is negative for Covid-19. https://www.wsj.com/articles/cdc-finalizing-recommendation-to-shorten-covid-19-quarantines-11606247975?mod=hp_lead_pos6&mkt_tok=eyJpIjoiTVdRM01qaGhOMIJPtldNNSIsInQiOiJqc3IEUGV5bERsXC9XVkrUMUhc3dNWVY3R3R0OGtyUlgoeENQN0IFYUpjV0lmNE9ETVNTU0dvT1MzRkttOWxiRytl dmR3S2hzTIVIUWhxZUdcL0ZmVXN0ZVJ5RUFTQjhSWnFwcUw2cEZMQVFvVlFPVFPkUK2dZZUxWRGVGNXhacWJ3In0%3D
- The federal government plans to send 6.4 million doses of pharmaceutical giant Pfizer's coronavirus vaccine to communities across the United States within 24 hours of regulatory clearance, with the expectation that shots will be administered quickly to front-line health-care workers, the top priority group. The first doses could be distributed by mid-December. https://www.washingtonpost.com/health/2020/11/24/vaccine-plan-first-doses/?mkt_tok=eyJpIjoiTVdRM01qaGhOMIJPtldNNSIsInQiOiJqc3IEUGV5bERsXC9XVkrUMUhc3dNWVY3R3R0OGtyUlgoeENQN0IFYUpjV0lmNE9ETVNTU0dvT1MzRkttOWxiRytl dmR3S2hzTIVIUWhxZUdcL0ZmVXN0ZVJ5RUFTQjhSWnFwcUw2cEZMQVFvVlFPVFPkUK2dZZUxWRGVGNXhacWJ3In0%3D
- Now that the virus is spreading rapidly in much of the country – more than 2,200 U.S. deaths from COVID-19 were reported yesterday, making it the deadliest day in more than six months – state and local health officials are giving up on contact tracing, [the Times reports](#).

FROM NEW YORK

- Democrats have [won supermajorities](#) in the state Senate and Assembly, which could have a big effect on the state's response to the coronavirus pandemic. State Senate Health Committee Chair Gustavo Rivera shared his thoughts on what the election results mean for the state's pandemic response and what Cuomo can do in the meantime to ensure that the state withstands the ongoing second wave of COVID-19. [Read more here](#).
- New York reported 26,437 total statewide deaths of New Yorkers who tested positive for COVID-19. There were 47 more fatalities in New York yesterday. For more numbers, including the latest statewide and citywide statistics, [click here](#).
- [Erie County Executive](#) Mark Poloncarz and the health department say a new high was set Monday for COVID-19 hospitalizations.
- [A rise in coronavirus cases](#) in Central New York is forcing bars and restaurants to close and go back to takeout and outdoor dining.
- The [latest state data](#) shows the highest death toll [since June 19](#) and [hospitalizations](#) approaching 3,000 people statewide. Cuomo warned New Yorkers that the latter figure could double in the coming weeks if the state meets projections to see a roughly 20% increase in COVID-19 cases.

- The statewide testing positivity rate [could rise to 12%](#) by the beginning of 2021, the governor said
- The number of new COVID-19 cases in Erie County have put it on track for a state-imposed “red zone” shutdown, although Erie County Executive Mark Poloncarz yesterday left open the possibility that any new restrictions could zero in on certain ZIP codes, [The Buffalo News reports](#).
- COVID-19 remains the top issue for nearly half of registered voters in New York state, [according to a new Siena College poll](#) – roughly four times the percentage of people who said that state political leaders’ top priorities in the upcoming year should be helping businesses, creating jobs or addressing racial inequality.
- New York City Sheriff Joseph Fucito said his team would set up various checkpoints for holiday travelers to ensure anyone arriving from out of state has proof of a negative coronavirus test result, and they will issue \$1,000 fines if they don’t, [Gothamist reports](#).
- New York City continues to take the brunt of the pandemic's economic pain as joblessness remains stubbornly high compared to the rest of the state. [Read More](#)

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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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