

Friday, December 18, 2020

To: New York Community Banks

## FROM ICBA

### **CISA follow-up call today on SolarWinds**

The Cybersecurity and Infrastructure Security Agency today is [hosting a follow-up call](#) on the supply chain attack on the SolarWinds Orion Platform and subsequent customer breaches. Scheduled for 3 p.m. (Eastern time) today, the call will offer the latest on an attack that has pushed malicious code to an estimated 18,000 customers.

ICBA continues updating its [Cyber and Data Security](#) resources section with information on the attack following this week's CISA [alert](#) and [emergency directive](#) encouraging affected organizations to use available detection countermeasures.

Meanwhile, the Treasury Department is seeking feedback from financial institutions that have ever run the compromised SolarWinds Orion systems at [OCCIP-Coord@treasury.gov](mailto:OCCIP-Coord@treasury.gov) or anonymously through FS-ISAC at [sharingops@fsisac.com](mailto:sharingops@fsisac.com).

**[ACCESS TODAY'S CALL](#)**

### **NCUA approves subordinated debt rule**

The National Credit Union Administration board [approved](#) an ICBA-opposed final rule that will allow the largest and most complex credit unions to issue subordinated debt to institutional investors. Under the rule, the subordinated debt instruments count toward qualifying credit unions' risk-based net-worth requirement. While low-income credit unions are already permitted to issue subordinated debt, the rule will add an additional 285 complex credit unions representing \$730 billion in assets, ICBA said in its [comment letter](#) earlier this year.

In a [news release](#), ICBA said the rule is another example of the NCUA expanding credit union powers well beyond limits justifying the industry's tax exemption. "The NCUA's rule would undermine credit unions' mutual ownership structure, allow outside investors to exploit the credit union tax subsidy, and fuel runaway growth of an industry that has abandoned its founding mission to serve people of modest means," ICBA President and CEO Rebeca Romero Rainey said. ICBA continues raising awareness of credit union mission creep and the NCUA's overreach through its ["Wake Up" campaign](#) and Credit Union Task Force.

### **Grassroots push continues amid stimulus talks**

With stimulus negotiations continuing on Capitol Hill, ICBA is calling on community bankers to make a final push for an economic relief package by:

- [Telling Congress](#) to pass top stimulus priorities, including PPP reforms.
- [Urging lawmakers](#) to address the EIDL advance debt trap.
- Enlisting affected small-business customers to [push for an EIDL fix](#).

Community bankers can enlist small-business customers on the EIDL push by passing along [this link](#) and letting them know the time to act is now.

### **Agencies adjust CRA asset thresholds**

Federal regulators [announced](#) the annual adjustment to Community Reinvestment Act thresholds. Effective Jan. 1, the "small bank" or "small savings association" designation applies to institutions that as of Dec. 31 of either of the prior two calendar years had assets of less than \$1.322 billion. The "intermediate small bank" or "intermediate small savings association" designation applies to institutions with assets of at least \$330 million as of Dec. 31 of both of the prior two calendar years and less than \$1.322 billion as of Dec. 31 of either of the prior two calendar years.

## FROM OTHER SOURCES

- Congress is preparing for a potential short government shutdown as lead negotiators try to finish the relief package that they're working to pair with an omnibus government funding bill for the rest of the fiscal year. It's unclear if the Senate could clear the stopgap measure before midnight, setting up the possibility of a brief government shutdown as negotiations continue. Disagreements remain over eligibility for stimulus checks, mechanics of health care and disaster relief funds and ending the Fed's emergency lending program. Negotiations over a relief bill and government funding are likely to carry over into the weekend. ([Politico](#))
- The latest on the negotiations: <http://politi.co/3h0G7pS>; [POLITICO](#); [NYT](#)
- In negotiations to finalize a \$900 billion bipartisan stimulus package, Congress has left a significant challenge for President-Elect Biden and his efforts to revive the faltering economy. The package excludes a direct stream of money for state and local governments, which Democrats said was needed to prevent job cuts and economic pain, but Republicans objected to as a blue state "bailout." [https://www.nytimes.com/2020/12/17/business/stimulus-state-local-aid.html?mkt\\_tok=eyJpIjoiWmpVMk5XWmpaVEI3WmpRMCIsInQiOiJrWDZHYTQ0dDhIbHpIQm81MEFkMkhRQmQxdERMMGZ6VVFVSU1UTTBTtkxHNFJkT2VERIwvQmxWQWc2UkVVVVVHVXdTRThjSUZHWDU5M1JSeWZ2dmxpRDBNc1JXXC91OE9LemszVTJPS29GY01XZ3JzcmF1STZYzRINkNVdkRIRU4wIn0%3D](https://www.nytimes.com/2020/12/17/business/stimulus-state-local-aid.html?mkt_tok=eyJpIjoiWmpVMk5XWmpaVEI3WmpRMCIsInQiOiJrWDZHYTQ0dDhIbHpIQm81MEFkMkhRQmQxdERMMGZ6VVFVSU1UTTBTtkxHNFJkT2VERIwvQmxWQWc2UkVVVVVHVXdTRThjSUZHWDU5M1JSeWZ2dmxpRDBNc1JXXC91OE9LemszVTJPS29GY01XZ3JzcmF1STZYzRINkNVdkRIRU4wIn0%3D)
- Sen. Toomey (R-PA) said he wouldn't vote for a new stimulus package unless it prevents the Federal Reserve from restarting several of its pandemic crisis lending programs. He said keeping the programs in place past their end-of-year expiration date could risk the Fed turning into a "lender of first resort" instead of last resort and that "it is not the role of our central bank" to engage in fiscal policy or allocating credit. Two CARES Act congressional oversight committee members said his proposal would limit "the ability of the Biden Administration to address our current economic crisis" and undercut the Fed's ability "to respond to future financial crises." ([Bloomberg](#))
- An estimated 885,000 people applied for unemployment aid for the first time last week - a second consecutive week of increased claims - reaching a high not seen since the end of the summer as negotiations for stimulus funding continue in Washington. Economists have warned a lack of aid for the unemployed and small businesses is dragging down the economy since Congress let some stimulus programs expire over the summer, jeopardizing the fragile recovery of the labor market as the country heads into increasing coronavirus infections. [https://www.washingtonpost.com/business/2020/12/17/unemployment-claims-stimulus-december/?mkt\\_tok=eyJpIjoiWmpVMk5XWmpaVEI3WmpRMCIsInQiOiJrWDZHYTQ0dDhIbHpIQm81MEFkMkhRQmQxdERMMGZ6VVFVSU1UTTBTtkxHNFJkT2VERIwvQmxWQWc2UkVVVVVHVXdTRThjSUZHWDU5M1JSeWZ2dmxpRDBNc1JXXC91OE9LemszVTJPS29GY01XZ3JzcmF1STZYzRINkNVdkRIRU4wIn0%3D](https://www.washingtonpost.com/business/2020/12/17/unemployment-claims-stimulus-december/?mkt_tok=eyJpIjoiWmpVMk5XWmpaVEI3WmpRMCIsInQiOiJrWDZHYTQ0dDhIbHpIQm81MEFkMkhRQmQxdERMMGZ6VVFVSU1UTTBTtkxHNFJkT2VERIwvQmxWQWc2UkVVVVVHVXdTRThjSUZHWDU5M1JSeWZ2dmxpRDBNc1JXXC91OE9LemszVTJPS29GY01XZ3JzcmF1STZYzRINkNVdkRIRU4wIn0%3D)
- The 30-year fixed mortgage rate, the most popular loan product, sank to its lowest level on record this week, marking the 15th historic low it has hit this year. According to the latest data released Thursday by Freddie Mac, the 30-year fixed-rate average fell to 2.67 percent with an average 0.7 point. [https://www.washingtonpost.com/business/2020/12/17/fixed-mortgage-rates-tumble-lowest-levels-history/?mkt\\_tok=eyJpIjoiWmpVMk5XWmpaVEI3WmpRMCIsInQiOiJrWDZHYTQ0dDhIbHpIQm81MEFkMkhRQmQxdERMMGZ6VVFVSU1UTTBTtkxHNFJkT2VERIwvQmxWQWc2UkVVVVVHVXdTRThjSUZHWDU5M1JSeWZ2dmxpRDBNc1JXXC91OE9LemszVTJPS29GY01XZ3JzcmF1STZYzRINkNVdkRIRU4wIn0%3D](https://www.washingtonpost.com/business/2020/12/17/fixed-mortgage-rates-tumble-lowest-levels-history/?mkt_tok=eyJpIjoiWmpVMk5XWmpaVEI3WmpRMCIsInQiOiJrWDZHYTQ0dDhIbHpIQm81MEFkMkhRQmQxdERMMGZ6VVFVSU1UTTBTtkxHNFJkT2VERIwvQmxWQWc2UkVVVVVHVXdTRThjSUZHWDU5M1JSeWZ2dmxpRDBNc1JXXC91OE9LemszVTJPS29GY01XZ3JzcmF1STZYzRINkNVdkRIRU4wIn0%3D)
- Officials in several states said they were told to expect fewer doses of the COVID-19 vaccine produced by Pfizer-BioNTech in its second week of distribution, sparking confusion and concern about the Trump administration's ability to distribute the drug quickly enough to deliver 20 million shots by the end of the year. Pfizer said in a statement that it has "millions more doses sitting in our warehouse," but has not "received any shipment instructions" for additional doses. ([The Washington Post](#)). The FDA is set to approve another vaccine from Moderna, perhaps as

early as today. [But a second vaccine is urgently needed as coronavirus infections, hospitalizations and deaths in the U.S. climb](#) to alarming new record highs ahead of the holidays.

- Medical professionals advising President-Elect Biden are warning internally that the existing COVID-19 vaccine distribution program may not live up to expectations of fast and widespread relief, and are raising concerns that the timeline for widespread vaccine distribution may be longer than anticipated. [https://www.nbcnews.com/politics/white-house/biden-advisers-warn-trump-mass-vaccine-timeline-may-be-too-n1251499?mkt\\_tok=eyJpIjoiTIRGall6RTJaR0k0TIRNeSIsInQiOiJJYzQ0SWI5d3lvd29IXC92aWdlMk43QVRQZkRWNVJ5d2JDdm1jOEtldmhwNW1MQU1xNW5kdllwNUUpCTjA2TXFoZm9WZ1BJZXNLUHVGMl0xTzZM1K0Vhc0FrMVJGSFM1bHJzcndWY3EyaUI1ZjU1U3RMQ0kwaG00dGxOdGFOY2NHMGsifQ%3D%3D](https://www.nbcnews.com/politics/white-house/biden-advisers-warn-trump-mass-vaccine-timeline-may-be-too-n1251499?mkt_tok=eyJpIjoiTIRGall6RTJaR0k0TIRNeSIsInQiOiJJYzQ0SWI5d3lvd29IXC92aWdlMk43QVRQZkRWNVJ5d2JDdm1jOEtldmhwNW1MQU1xNW5kdllwNUUpCTjA2TXFoZm9WZ1BJZXNLUHVGMl0xTzZM1K0Vhc0FrMVJGSFM1bHJzcndWY3EyaUI1ZjU1U3RMQ0kwaG00dGxOdGFOY2NHMGsifQ%3D%3D)

### FROM NEW YORK

- Governor Cuomo provided an update on the state's progress during the ongoing COVID-19 pandemic. He noted that there were 6,147 patient hospitalizations statewide, 1,095 Patients in the ICU; 611 intubated, and that the statewide positivity rate was 5.38%. There were 120 COVID-19 deaths in the state. For more details, including regional breakdowns of the data: <https://empirereportnewyork.com/279743-2/>
- The [6,147 people hospitalized for Covid-19](#) in New York state is a level not seen since the middle of May. For weeks now, NYC Mayor de Blasio and Governor Cuomo warned that things are getting worse, and it's easy to get lost in a sea of numbers. To put that figure in perspective, the Wall Street Journal notes it is six times the number of New Yorkers who were hospitalized just two months ago.
- The stimulus that Congress appears primed to approve is, it should be said, better than nothing, but it's not enough – Washington is being excessive in some ways and parsimonious in others, especially with fiscal disaster stalking state and local governments, [The Buffalo News writes](#).
- The number of people hospitalized for COVID-19 across New York state reached 6,147 people yesterday, a figure not seen since mid-May and more than six times the number of patients hospitalized for the disease just two months ago, [The Wall Street Journal reports](#).
- There's been a lot of focus on the Legislature returning to take up a variety of tax-the-rich proposals before the end of the year - less noticed is the push to extend and strengthen protections for tenants who have been at risk of losing their homes during the pandemic. State Senator Sen. Liz Krueger (D-Manhattan), Senate Finance Committee Chair, said last night her conference has been discussing tenant protections in the lead-up to a potential special session. [More here](#).
- Governor Cuomo unveiled a revamped rent relief program meant to help tenants struggling amid the coronavirus pandemic, just two weeks before federal funds for the measure are set to expire, [the Daily News reports](#).
- The minimum wage rate for Upstate New Yorkers is once again set to increase at the end of the year. In their decision to go ahead with the planned increase, New York State Labor Department officials said they wanted to help workers who have been struggling during the COVID-19 pandemic. [Read More](#)
- Rep. Kathleen Rice has captured a prized seat on the House Energy and Commerce Committee after a contentious showdown with fellow New Yorker Rep. Alexandria Ocasio-Cortez, [Politico reports](#).
- Rep.-elect Ritchie Torres (D-Bronx) was appointed to the House Financial Services Committee, and Rep. Adriano Espaillat (D-Upper Manhattan/Bronx) was added to the Appropriations Committee.

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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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