

Wednesday, December 23, 2020

To: New York Community Banks

IBANYS wishes everyone a safe, healthy, happy Christmas holiday.

Our current plan is to publish our next IBANYS coronavirus update on Monday, January 4, 2021.

However, if circumstances dictate that we need to publish before then, we will do so to ensure that you remain fully informed and up to date on issues of importance.

As always, we thank you for your continued support of IBANYS and of community banking throughout our state.

-- John

FROM ICBA

Romero Rainey recaps extraordinary year, thanks bankers for “selfless response”

ICBA President and CEO Rebeca Romero Rainey recaps the year’s challenges and accomplishments in a message to community bankers. “You have shown the world what community banking is, and what it means,” said Romero Rainey noting community banks’ outsized role as Paycheck Protection Program lenders. In her address she also noted several advocacy successes this year, including:

- Earned [community bank-advocated provisions](#) in the latest stimulus bill including extended TDR relief and EIDL Advance fix.
- Procured robust CECL, community bank leverage ratio, and tax relief.
- Ensured \$60 billion in PPP funding dedicated to community bank lending to small businesses.
- Secured better PPP loan terms for borrowers and lenders
- Blocked credit union efforts to raise their business-lending cap.
- Advanced beneficial ownership reporting relief.
- Achieved regulatory asset threshold relief for many community banks so they would not be penalized for PPP lending.
- Convinced regulators to delay new Fannie Mae and Freddie Mac loan fees.
- Successfully advocated higher asset thresholds in the OCC's Community Reinvestment Act final rule, the Fed's elimination of Regulation D account transfer restrictions, and the codification of the "valid when made" doctrine.
- Successfully urged the Fed to adopt a phased approach to launching FedNow to ensure quicker implementation.
- Supported community bank-friendly candidates with a 94 percent election success rate for ICBPAC contributions.

[WATCH THE VIDEO MESSAGE](#)

Fed: Currency inventories sufficient to meet EIP demand

The Federal Reserve said it is stocked with currency inventories and is working with its supply chain partners to understand and support anticipated demand for currency during the second round of Economic Impact Payments. The Fed encouraged banks to order what is needed to meet customer demand and to reassure customers that there is ample inventory to meet their needs throughout the EIP disbursement period. ICBA is part of the U.S. Coin Task Force, a Federal Reserve initiative to mitigate the effects of low coin circulation caused by the COVID-19 pandemic.

FROM OTHER SOURCES

- President Donald Trump on Twitter asked Congress to change the \$900 billion coronavirus relief bill (and \$1.4 trillion government funding measure) passed [by Congress](#) by increasing the \$600

stimulus checks to \$2,000 (or \$4,000 per couple) and to get rid of provisions in the larger government spending bill he described as "wasteful spending and much more." He also wants more funding for small businesses. The President suggested he might not sign the legislation passed by Congress this week. House Speaker Pelosi responded that Democrat lawmakers would meet as soon as Thursday to advance the \$2,000 stimulus checks: "Let's do it!" she tweeted. However, multiple sources said the president's comments were unlikely to prompt any renegotiation. (CNN) (The Washington Post); https://apnews.com/article/donald-trump-politics-legislation-coronavirus-pandemic-bills-7d5b7e70e5193e88c6f24e425abbe0af?utm_source=Sailthru&utm_medium=email&utm_campaign=December23_MorningWire_Automated&utm_term=Morning%20Wire%20Subscribers

President-Elect Biden warned on Tuesday: "Our darkest days in the battle against COVID are *ahead* of us, *not* behind us." Biden called the measure a "down payment" and vowed to enter office next month asking lawmakers to return to the negotiating table. "Congress did its job this week, and I can and I must ask them to do it again next year." Among the challenges causing the assessment of the difficulties ahead:

- A best-case scenario appears to be that vaccines will provide enough herd immunity to allow some normality by this summer or fall.
- Most of the benefits in the newly passed \$900 billion coronavirus rescue package expire months before America has any hope of being back to normal.
- The \$300 boost for unemployment benefits expires in March.
- The new \$284 billion round of the Paycheck Protection Program (PPP) is meant to last 3 months.
- There's no new funding earmarked for state and local governments. (https://www.axios.com/newsletters/axios-pm-7eb4469e-b299-43e9-a6e7-26c9b3438fbc.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiospm&stream=top)
- Sen. Ben Cardin, top Democrat on the Senate Small Business Committee, believes the window for so-called Paycheck Protection Program loans should reopen within a matter of days "because that process is understood." He expects the Trump administration will could be ready to begin issuing a new wave of payroll support loans to small businesses by the beginning of the year. https://www.politico.com/news/2020/12/22/cardin-ppp-restart-by-new-years-450140?mkt_tok=eyJpIjoiTURjeE5EYzNOR00zTTJSayIsInQiOiJNeUNQWXFHUnJwTVFORThNZGtNWHRkWTQ0N2h1bnEwXC9WMUZRWndQSHo4OGM1NkZ3ek13Y2VubFBmaHE1alhWRDRiV1FPeXU1V1UyT1dCa0hXOVJyV3lweXdWaVQzelpmMG95NmhwVGpKS1ZUZlY4K1RWd0xUSzFHTktzTlwwZzgxIn0%3D
- SBA commented: "SBA, in consultation with the Department of Treasury, is working expeditiously to identify changes to program rules forms, and processes as laid out in the legislative text, and to appropriately update guidance and systems for PPP lenders and borrowers. SBA and Treasury are committed to ensuring that the next round of PPP is launched as quickly as possible to deliver critical economic relief to America's small businesses." https://www.politico.com/news/2020/12/22/cardin-ppp-restart-by-new-years-450140?mkt_tok=eyJpIjoiTURjeE5EYzNOR00zTTJSayIsInQiOiJNeUNQWXFHUnJwTVFORThNZGtNWHRkWTQ0N2h1bnEwXC9WMUZRWndQSHo4OGM1NkZ3ek13Y2VubFBmaHE1alhWRDRiV1FPeXU1V1UyT1dCa0hXOVJyV3lweXdWaVQzelpmMG95NmhwVGpKS1ZUZlY4K1RWd0xUSzFHTktzTlwwZzgxIn0%3D
- News regarding the negotiations of the second coronavirus relief package did not materially alter U.S. consumers' views of the economy or their personal finances last week. Morning Consult's Index of Consumer Sentiment fell 0.57 points from last week to 86.57 on Tuesday even as it became increasingly likely that Congress and the White House would sign a relief bill before Christmas.

- President-Elect Biden and Senate Majority Leader [MITCH McCONNELL](#) are already thinking about the *next* coronavirus relief/stimulus package. McConnell said he'd insist the next bill include liability protections for businesses, which helped scuttle negotiations earlier this year. He told the [Courier-Journal](#) he is open to more infrastructure but “we still have to figure out how to pay for it.” President-Elect Biden also outlined some his priorities: another round of checks; another extension of unemployment benefits; an eviction moratorium; more help for small businesses; money to help with vaccine distribution; and an infrastructure program.
- The Trump administration and Pfizer are close to a deal under which the pharmaceutical company would bolster the supply of its coronavirus vaccine for the United States by at least tens of millions of doses next year, [the Times reports](#).
- Even as the first doses of the coronavirus vaccine were delivered, states and major cities across the country have imposed the most extensive restrictions on business and social gatherings since widespread lockdowns during the spring, in hopes of preventing a further surge in Covid-19 cases over the winter holidays. https://www.wsj.com/articles/states-impose-strictest-covid-19-lockdowns-since-spring-11608719403?mkt_tok=eyJpIjoiTURjeE5EYzNOR00zTTJSayIsInQiOiJNeUNQWXFHUnJwTVFORTThNZGtNWHRkWTQ0N2h1bnEwXC9WMUZRWndQSHo4OGM1NkZ3ekI3Y2VubFBmaHElalhWRDRiV1FPeXU1V1UyT1dCa0hXOVJyV3lweXdWaVQzelpmMG95NmhwVGpKS1ZUZlY4K1RWd0xUSzFHTktzTlwwZzgxIn0%3D
- The United States on Tuesday recorded the highest number of Covid-19 deaths in a single day. The 3,350 reported deaths break a previous single-day high that was set just last week, on Dec. 16. In the last week, 18,980 people have died in the U.S. related to Covid-19, a faster rate than any other time during the pandemic. Overall, the U.S. has seen more than 18.2 million cases of Covid-19 in the U.S., and more than 323,000 people have died, according to [NBC News' count](#).
- This is the deadliest year in United States history, with deaths expected to top 3 million for the first time — due mainly to the pandemic, [AP reports](#). Preliminary numbers suggest the U.S. is on track to see more than 3.2 million deaths this year, or at least 400,000 more than in 2019. COVID has killed more than 318,000 Americans.

FROM NEW YORK

- New York reported 28,850 total statewide deaths of New Yorkers who tested positive for COVID-19. There were 139 more fatalities in New York on Dec. 21. For more numbers, including the latest statewide and citywide statistics, [click here](#).
- [LONG ISLAND SEES NEW INCREASE: TOWN BY TOWN UPDATE..](#)
- [HUDSON VALLEY COUNTY BY COUNTY UPDATE..](#)
- [CAPITAL REGION TOPS 1,000 DAILY CASES FOR 1ST TIME...](#)
 - Governor Cuomo reported that to date, 50,000 doses of the vaccine have been administered throughout New York. The state has received 630,000 doses thus far and expects to receive another 300,000 doses next week.
 - The new coronavirus relief bill includes [billions in new funding](#) for such things like the New York City subways, public schools, and the ongoing vaccine distribution effort. “The bottom line is that that’s a lot of good help for New York,” said Senator Schumer. However it does not include the funding for state and local governments that Governor Cuomo has said would be necessary to [avoid sweeping budget cuts](#) in the upcoming months.
 - While state lawmakers are [still hoping to strike a deal](#) on raising taxes before the end of the year, the Governor says the state should wait on balancing its books until the April 1 state budget deadline, by which time he hopes then President Biden will get a new round of federal stimulus funding through Congress.

- Cuomo is calling on New York hospitals and labs to specifically test for a new highly contagious COVID-19 mutation found in the United Kingdom, [the Daily News 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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