

Thursday, December 3, 2020

To: New York Community Banks

FROM ICBA

McWilliams: Community banks do what others can't

Community banks have shown through their responsiveness to the COVID-19 pandemic that what they do cannot be replicated by an online presence alone or larger banks, FDIC Chairman Jelena McWilliams told ICBA community bankers. Addressing the first-ever [ICBA ThinkTECH Policy Summit](#), McWilliams said community banks are "economic first responders" that have worked hand-in-hand with their customers to make emergency loans and minimize the impact of economic shut downs. "I'm grateful for the work of community banks in general, but especially during the pandemic," she said. During the chat with ICBA President and CEO Rebeca Romero Rainey, McWilliams also noted that the FDIC is working to mitigate regulatory roadblocks to innovation. She cited the FDIC's [exploration](#) of a standard-setting and voluntary certification partnership to provide a regulatory "seal of approval" for fintechs seeking bank partnerships.

ICBA's virtual ThinkTECH Policy Summit continues this week with remarks tomorrow from Federal Reserve Governor Michelle "Miki" Bowman and House Financial Services Committee Artificial Intelligence Task Force Chairman Bill Foster (D-Ill.).

FHFA extends foreclosure, eviction moratoriums

The Federal Housing Finance Agency [said](#) Fannie Mae and Freddie Mac will extend the moratoriums on single-family foreclosures and real-estate-owned evictions from Dec. 31 until at least Jan. 31, 2021. The foreclosure moratorium applies to enterprise-backed, single-family mortgages. The REO eviction moratorium applies to properties that have been acquired by an enterprise through foreclosure or deed-in-lieu of foreclosure transactions.

Beige Book reports on regional pandemic impact

While most Federal Reserve districts reported modest or moderate economic expansion in the Fed's latest [Beige Book](#), four of the 12 reported little or no growth and five said activity remained below pre-pandemic levels for at least some sectors. Further, the Philadelphia district and three of four in the Midwest said activity began to slow in early November as COVID-19 cases surged.

- **Summary of Economic Activity: Federal Reserve Bank of New York**
Economic activity in the Second District economy was flat in the latest reporting period. The labor market has remained weak, with employment in most industry sectors essentially unchanged. Input prices continued to rise moderately, while selling prices were little changed. Consumer spending has been little changed at subdued levels, while tourism has remained depressed. Housing markets have continued to strengthen, except in New York City, while markets for office and retail space have continued to soften. Finally, banks reported little change in loan demand, tighter credit standards, and an upturn in delinquency rates. Overall, business contacts have become less optimistic about the near-term outlook, with many contacts mentioning the recent pandemic wave, increased restrictions, and political uncertainty as major challenges. **For more information about District economic conditions visit: www.newyorkfed.org/regional-economy**

Private sector adds 307K jobs in November

The private sector added 307,000 jobs in November, according to [ADP](#). Small businesses added 110,000 jobs, while large and midsized businesses added 58,000 and 139,000, respectively. The services sector accounted for 276,000, while the goods-producing sector added 31,000.

FROM OTHER SOURCES

- CDC Director Robert Redfield told a virtual Chamber of Commerce event: “December and January and February are going to be rough times. I actually believe they’re going to be the most difficult time in the public health history of this nation. Largely because of the stress that it’s going to put on our health care system.” [The clip](#)
- The United States yesterday recorded its worst daily death toll since the pandemic began, and on a day when COVID-19 hospitalizations also hit an all-time high, the pace of loss showed no signs of slowing any time soon, [The New York Times reports](#). 13.9 million Americans have tested positive for the coronavirus during the epidemic, and 273,836 Americans died.
- [WSJ](#): “The number of Covid-19-related deaths reported in a day hit a record in the U.S., and newly reported infections were at their second highest, surpassing 200,000 for the second time in less than a week. The number of hospitalizations was also at a high, surpassing 100,000 for the first time on Wednesday, according to the Covid Tracking Project. That included a record 19,396 people in intensive care.”
- House Speaker Pelosi and Senate Minority Leader Schumer endorsed a bipartisan \$908 billion COVID-19 relief package put forth by a small group of senators and the House Problem Solvers Caucus (co-chaired by New York Rep. Tom Reed, R-Southern Tier) "should be used as the basis for immediate bipartisan, bicameral negotiations." Senate Majority Leader McConnell does not appear likely to back the proposal, though Assistant Senate Majority Leader Thune said Democratic leaders have "gotten reasonable," which "would help us get to a solution." The proposal would extend enhanced unemployment payments and help local governments but would not provide another round of direct payments to families. It would last through March 31. ([The Washington Post](#)); <https://politi.co/33GaNad>; https://www.nbcnews.com/politics/congress/pelosi-schumer-back-bipartisan-908-billion-covid-relief-aid-proposal-n1249752?cid=eml_nbn_20201202
- Federal Reserve Chairman Jerome Powell and Treasury Secretary Steven Mnuchin urged Congress to approve COVID-19 relief funds without further delay, though Democrats continued to attack a decision by Mnuchin to allow five Fed lending programs to expire during the pandemic. Chairman Powell told the House Financial Services Committee it’s “very important” for Congress to provide economic support, as new funding would serve as a “bridge” for the economy to get from the current environment in which virus infections are spiking, to next year when vaccines should be widely available. https://apnews.com/article/politics-small-business-financial-services-jerome-powell-steven-mnuchin-f2e1003d63d92408d59210cb2ddef298?mkt_tok=eyJpIjoiWkrJeE1XVmxarR1F4WIRsaCIInQiOiJtZDNORkRES2NJWk41WEtacWFNMGP6OTdMejFLTG56VGRsZ201eWdVU3I2VXIzeTZwVjBoalJ0WVNwMUp5MXBUYU1WSW41TWxMdGg3emg1eHVLT2p1SEJrR3MrSmRHZlI3MEVORghOVStTd04zUnRENHIZZGh0eXYxcjhsVzl4RCJ9
- Testing has revealed there were COVID-19 infections in the U.S. in December 2019, according to a study, providing further evidence indicating the coronavirus was spreading globally weeks before the first cases were reported in China, [Bloomberg News reports](#).

FROM NEW YORK

- There were 69 more fatalities in New York yesterday. Patient hospitalizations were up 150, to 3,924. The positive testing rate in all focus zone areas is 5.88%; New York State positivity outside all focus zone areas is 4.21%; Statewide positivity rate is 4.63%. The state expects to initially receive 170,000 Pfizer vaccines December 15 if all safety and efficacy approvals are granted, and expects to receive additional vaccine allocations from Pfizer and Moderna this

month. The initial batches will be made available exclusively to the state's 130,000 nursing home workers and 85,000 nursing home residents, as well as certain health care workers. For more numbers, including the latest statewide, regional and citywide statistics, [click here](#).

- Statewide hospitalizations are approaching 4,000, with an overall test positivity rate of 4.63%, according to the [latest data](#).
- A key issue for the state in the upcoming weeks appears to be whether there will be enough health care staff and equipment to keep up with the [rapidly increasing number of cases](#).
- Contact tracing remains a problem in areas of the state where the coronavirus is spreading especially fast, like [Central New York](#) and [Western New York](#)
- There are thousands of COVID-19 [long-haulers across the state](#). Many, like [Mara Gay of The New York Times](#), are experiencing heart or lung problems that could require long-term medical treatment. Others say they feel joint pain, body aches and debilitating fatigue that comes and goes.

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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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