

Friday, December 4, 2020

To: New York Community Banks

FROM ICBA

ICBA offers custom resources following PPP data release

Following the SBA's release of information about individual Paycheck Protection Program loans, ICBA released [custom talking points](#) for ICBA members about the agency announcement. The password-protected talking points note that the federal agencies—not community banks—released the loan-level information, including business names, addresses, and loan amounts. The resources—which are available to help community banks who receive questions from PPP borrowers or media outlets—also note that community bankers are proud of their leading role in PPP lending. ICBA's [Tell Your Story toolkit](#) offers additional resources, including a customizable op-ed template, on the positive impact of community bank PPP efforts. Meanwhile, ICBA continues calling on community bankers to use its [Be Heard action center](#) to urge Congress to pass PPP reforms and other needed stimulus measures during the lame-duck session.

ICBA pushes PPP expense deductibility

ICBA and more than 500 other groups called on Congress to pass a technical correction amending the CARES Act to explicitly provide that PPP loan-forgiveness funds that cover business expenses are tax deductible. In [a joint letter](#), the groups said that while the CARES Act states that any portion of a PPP loan that qualified for loan forgiveness “shall be excluded from gross income” for tax purposes, the IRS determined that no deduction is allowed. The [IRS ruling](#) transforms tax-free loan forgiveness into taxable income, raising the specter of a surprise tax increase of up to 37 percent on small businesses, the groups said. ICBA has repeatedly urged Congress to pass the Small Business Expense Protection Act (S. 3612/H.R. 6821) to make the correction.

Waters, McHenry will continue leading House Financial Services panel

House Financial Services Committee Chairwoman Maxine Waters (D-Calif.) and Ranking Member Patrick McHenry (R-N.C.) were approved by their respective caucuses to keep their leadership positions on the panel for the 117th Congress.

FROM OTHER SOURCES

- [Nearly 213,000 new coronavirus cases](#) were reported across the United States on Thursday, the highest daily number yet. And at least 2,500 covid-19 deaths were reported for the third consecutive day, marking the deadliest stretch since the pandemic began. The situation is likely to get worse: As many as 19,500 people could die of the virus during the week of Christmas, according to [a sobering new forecast](#) from the Centers for Disease Control and Prevention. <https://www.washingtonpost.com/nation/2020/12/04/coronavirus-covid-live-updates-us/>
- Senate Majority Leader McConnell said that he and House Speaker Pelosi had a "good conversation" and that both were "interested in getting an outcome" on a spending bill to avoid a government shutdown on Dec. 11 and a coronavirus relief package. Several conservative GOP lawmakers signaled receptiveness to the general framework of the \$908 billion bill crafted by a group of Democratic and moderate Republican senators. President Trump also supported quick approval of the package, though a White House spokesman later said that he was referring to a narrower proposal by McConnell rather than the bipartisan bill. ([The Washington Post](#))
- Congressional leaders are under mounting pressure to cut a coronavirus relief deal with the pandemic raging and a number of aid programs set to expire before yearend. Yet the bipartisan proposal has yet to be put into actual legislative text, and there are still more compromises that need to be made, so "the devil's in the details." <https://politi.co/3IEJJyj>.

- The Financial Stability Oversight Council's annual report warned that if the country sees a wave of bankruptcies and a collapsing commercial real estate market due to the coronavirus pandemic, it would take a heavy toll on smaller banks. Among the additional risks highlighted by the panel of heads of major U.S. financial regulators were record-high corporate debt levels, a rising number of bankruptcy filings and "potentially significant structural vulnerabilities" in short-term wholesale funding markets. ([Reuters](#))
- The number of Americans applying for unemployment benefits fell as the nation celebrated Thanksgiving last week to a still-high 712,000, the latest sign that the U.S. economy and job market remain under stress from the intensified viral outbreak. https://apnews.com/article/unemployment-jobless-claims-coronavirus-pandemic-economy-af73c6c1fb995855da14fdb502d9baf3?mkt_tok=eyJpIjoiT1dKa05qSmpOVFEyTldZMCIsInQiOiJRSEFiZ1pHcHY2UHhHYnpZQ1hNckZqMGt1ZWpiNDU2Q25SMHRCNFZURFRwdDJrczFNanNlbUg2M1g1M1puVUJPMiUrcGxTbFB6WmplcjZLQVJ4K253cjZSNkJKU0JSQnlaZmdrWnVKYVVjUDdpNDY0VE1BXC9OZXlzd25OWTIOMm4ifQ%3D%3D
- The U.S. economy [added 245,000 jobs](#) in November—the slowest month of growth since the recovery began. <https://www.washingtonpost.com/nation/2020/12/04/coronavirus-covid-live-updates-us/>
- 700,000 Americans have been filing unemployment insurance claims every week for 37 weeks — nine months. Plus, 20 million people are still on the pre-pandemic unemployment rolls. https://www.axios.com/newsletters/axios-am-1ac2ab40-3323-4ef2-8f6e-a6326eb1b4f3.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top
- The coronavirus pandemic has inflicted an economic battering on state and local governments, shrinking tax receipts by hundreds of billions of dollars. Now devastating budget cuts loom, threatening to cripple public services and pare work forces far beyond the 1.3 million jobs lost in eight months. https://www.nytimes.com/2020/12/04/business/economy/state-local-finances.htmlmkt_tok=eyJpIjoiT1dKa05qSmpOVFEyTldZMCIsInQiOiJRSEFiZ1pHcHY2UHhHYnpZQ1hNckZqMGt1ZWpiNDU2Q25SMHRCNFZURFRwdDJrczFNanNlbUg2M1g1M1puVUJPMiUrcGxTbFB6WmplcjZLQVJ4K253cjZSNkJKU0JSQnlaZmdrWnVKYVVjUDdpNDY0VE1BXC9OZXlzd25OWTIOMm4ifQ%3D%3D
- Daily coronavirus-related deaths in the U.S. hit a new record on Wednesday, when roughly 2,800 people died from the virus. The big picture: Caseloads and hospitalizations continue to rise, and deaths are spiking in states all across the country. https://www.axios.com/newsletters/axios-vitals-4dd000cd-25a5-481b-b823-b3e1eaffc184.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- **WAPQ** (Washington Post): “A new national ensemble forecast — an aggregation of 37 models sent to the CDC — projected that 9,500 to 19,500 people would die of covid-19 in the week encompassing Christmas. [Christopher] Murray’s institute, meanwhile, has been putting the final touches on a new forecast that he said would show an increase from its Nov. 19 projection of 470,000 deaths by March 1.”
- President-elect Biden will ask Americans to wear masks for his first 100 days in office to mitigate the spread of COVID-19, and order their use where he has authority (e.g., federal buildings and during interstate travel.) Biden also has asked Dr. Anthony Fauci, the National Institute of Allergy and Infectious Diseases director, to stay on in his role and serve as a chief medical adviser. ([CNN](#))
- The "American Banker" reports the Financial Stability Oversight Council's annual report notes economic fallout from COVID-19 has highlighted systemic concerns about commercial real

estate exposure, business debt and short-term wholesale funding.

https://www.americanbanker.com/?_ptid=%7Bjcx%7DH4sIAAAAAAAAAAFWQwVKDMBCG3yVnyiS1OODGaME6lvZQEHLwwqxIUUIUHV8d4Fpdbq33e_Zmf3GzGRIQ-lsUqjdVwHATJQxXJIBPSrkRwFy0r3_aiKr09L1_3A4VxBLUBxmBLLIG5Xi-jxNfTJDV2egbdanNQUIxTTN5tizWd4qLkuwAYKHHNRsn5Q7EBwc-P7_E9uilO_g7KSTEOyX0dhvLkP6UP87LqDUrDmCpGn6xYMpC_9ZG92ibVfBC-O-7RF_yxhtWBKjxHVSsmkgzsqKiVw110EnGjFx1M0uj5BCdqWaf4x7RTUQh5iEWiZxiTkndJi2DdR-DkoPMCvHk7SWyCM2dojj3mH88wtzO8MRdgEAAA.

- Challenges in Pfizer Inc's supply chain for its COVID-19 vaccine played a role in its decision to slash its 2020 production target. Pfizer has said in recent weeks that it anticipates producing 50 million doses of its COVID-19 vaccine this year, down from an earlier target of 100 million doses. https://www.yahoo.com/entertainment/pfizer-supply-chain-challenges-led-213648370.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xILmNvbS8&guce_referrer_sig=AQAAAIqkxnujAPMu1bQSlmIPwBe8YdhUUCT5QvPdUC7x3ld3q-r8i43AeCjBJpsqv-B_-V2q0sFE20YLPrhUaTrLsZe_7P8iQ4a_uMr43ewZodBla-9xDTXGExgQqWWCnnOWm5wYAhVg808fQ5w7abHR4SEjYcqTOU02z-wswPGRuxBN

FROM NEW YORK

- Governor Cuomo updated New Yorkers on the state's progress during the ongoing COVID-19 pandemic. "It's all about hospitalization rate and hospital capacity. . .we're dealing with increases in hospitalizations, but we're doing dramatically better than essentially every other state in the country. The total number of hospital beds in the state is 53,000 - currently 35,000 beds are occupied, and about 4,000 of those with COVID patients. At our height, we had about 19,000 people hospitalized with COVID. <https://www.governor.ny.gov/news/governor-cuomo-updates-new-yorkers-states-progress-during-covid-19-pandemic-76>
- The Governor announced he will be signing an executive order expanding eligibility for New York State's COVID Rent Relief Program and reopening its application window. The Program, which was created by the state legislature when it passed the Emergency Rent Relief Act of 2020, appropriated up to \$100 million from the federal CARES Act to provide subsidies for tenants who lost income due to the pandemic. Based on the legislature's parameters, as much as \$40 million is expected to be paid to eligible applicants approximately 15,000 New York households. This executive order will expand the program's eligibility so more rent relief can be provided to New Yorkers. Additional details will be available in the coming days. <https://www.governor.ny.gov/news/governor-cuomo-updates-new-yorkers-states-progress-during-covid-19-pandemic-76>
- Coronavirus-related hospitalizations in New York have surpassed 4,000 patients as an end-of-the-year surge of the pandemic continues, Gov. Andrew Cuomo on Thursday said. [Read More](#)
- Public-health officials in Buffalo, New York's second-most populous city, are fighting a surge in coronavirus cases with the normal calls for residents to avoid social gatherings and wear masks in public, [The Wall Street Journal reports](#).

#####

IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

- John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)
- Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)