

Friday, January 8, 2021-- Update # 1

To: New York Community Banks

Here's our first update of the day. **Please note:** We will be sending a second update momentarily, providing just released details from the SBA and Treasury regarding the pending re-opening of the Paycheck Protection Program (PPP) next week and related new guidance.

-- John

FROM ICBA

The Small Business Administration last night issued several documents on the next round of the Paycheck Protection Program authorized by the end-of-year stimulus package. Here's the latest.

The new documents include:

- An [interim final rule](#) on the PPP as amended by the Economic Aid Act.
- An [interim final rule](#) on second-draw PPP loans.
- [Guidance](#) on accessing capital for minority-, underserved-, veteran- and women-owned businesses.

Following the passage of ICBA-advocated stimulus provisions simplifying PPP loan forgiveness and supporting a new round of PPP lending, the interim rules include answers to questions about registration, loan underwriting, fees, electronic submissions, reporting disbursements, agent fees, and more.

The interim rules note that second-draw PPP loans generally are guaranteed by the SBA under the same terms as first-draw loans, though these borrowers are generally required to have 300 or fewer employees, exhausted their first-round funds and a 25 percent or greater revenue reduction from 2019 to 2020.

The guidance notes that the Economic Aid Act set aside funds for lending by community financial institutions, first-draw PPP borrowers, and the smallest businesses. Further, it says the SBA will accept PPP loan applications only from community financial institutions for at least the first two days after the PPP loan portal reopens.

The guidance also says PPP lenders should encourage borrowers to complete a new demographic reporting section on the PPP borrower application to help the program reach underserved, minority-owned, veteran-owned, and women-owned businesses.

While ICBA continues studying these documents, additional information is available on the [SBA](#) and [Treasury](#) PPP pages, and Independent Bankers Association of Texas [matrix of the law's PPP updates](#), and [ICBA's summary](#) of the stimulus package's community banking provisions.

ICBA's [next Community Bank Briefing](#) featuring 2021 updates is scheduled for 2 p.m. (Eastern time) today, Jan. 8. During the 60-minute webinar, ICBA experts will address the important SBA actions and discuss legislative developments. Participants are encouraged to submit questions prior to the briefing or bring them to the briefing as the ICBA team will answer questions from community bankers. [Learn more and register](#). Meanwhile, we will continue to provide you the very latest information as it becomes available.

Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

Treasury starts issuing Economic Impact Payment debit cards

The Treasury Department and IRS said they are sending approximately 8 million second Economic Impact Payments by prepaid debit card starting this week. The agencies' [announcement](#) includes sample images of the EIP card and envelope. The agencies said those who don't receive a direct deposit should watch their mail for either a paper check or a prepaid debit card. The IRS earlier this week encouraged individuals who do not receive their second EIP to file their 2020 tax return electronically and claim the Recovery Rebate Credit. In [frequently asked questions](#), the IRS said users who see "Payment Status #2 – Not Available" on the agency's [Get My Payment portal](#) will not receive the EIP2 and must claim the credit.

Additional information on the second round of EIPs is available on the IRS's [EIP webpage](#), in last week's Treasury Department notice on [ACH payments](#), in a separate Treasury notice on [check payments](#), and in ICBA's updated [frequently asked questions](#).

FROM OTHER SOURCES

Ask the Regulators: Basics of New Paycheck Protection Program (PPP) Loan Programs

The Federal Reserve System, Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), National Credit Union Administration (NCUA), and the Conference of State Bank Supervisors (CSBS) will host an interagency webinar on **Monday, January 11, 2021 at 2pm ET**. Join Small Business Administration (SBA) and Treasury Department officials for an overview of the new Paycheck Protection Program (PPP) features associated with the recently passed Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act. This presentation is open to all SBA lenders who participated in the SBA PPP lending program. During the webinar, SBA and Treasury will:

- Provide a timeline for the rollout of the new PPP programs;
- Provide an overview of the PPP loan programs including first and second draw loans; and
- Discuss new forms and guidance.

After the presentation, there will be a brief Q&A session. We encourage participants to submit questions in advance via email at: asktheregulators@stls.frb.org.

To accommodate the participation of as many PPP lenders as possible, we ask each institution register no more than two representatives to attend the live session. We strongly encourage participants to use the webinar audio on their computer for the best experience.

- Registration is now open at: <https://www.webcaster4.com/Webcast/Page/583/39435>
- Webinar materials will be archived for future viewing.

Acting Comptroller of the Currency Statement Regarding Capitol Riot and the OCC's Enduring Mission

WASHINGTON – Acting Comptroller of the Currency Brian P. Brooks issued the following statement to staff regarding the violent riots at the Capitol yesterday.

Yesterday, we witnessed one of the ugliest moments in recent history. Violence and wanton lawlessness cannot be condoned. I echo Secretary Mnuchin's words in his recent message that the violence that occurred at the Capitol yesterday was completely unacceptable and share his confidence that our democracy will prevail, and our institutions will remain strong. The Constitutional process that has guaranteed peaceful transition of power from administration to administration for more than 240 years must be respected and defended.

In the midst of the current unrest, OCC leadership and staff remain on the job. We do so not because we condone the events of the past 24 hours but because our agency's mission is an apolitical one on which millions of Americans depend. We continue to focus on ensuring the federal banking system operates in a safe, sound, and fair manner, uninterrupted by election results, natural disasters, or global conflict. The work we do every day is critical to meeting the financial needs of our fellow Americans who still need to buy homes, pay their bills, finance their educations, and operate their businesses. As we have for 158 years, the OCC will continue to focus on our mission. For months, we have participated in the Presidential transition planning process to ensure that work proceeds, and I know the country can count on you to ensure we continue to fulfill our important responsibilities.

I am incredibly proud of the work we do and am grateful for your continued professionalism and dedication.

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- President-Elect Biden picked Isabel Guzman to lead the Small Business Administration (SBA). She is a member of the Biden transition team on the SBA, giving her an inside view of the agency's operations and challenges. Guzman has been a top official in California's Office of Business and Economic Development, and an adviser to banks and consulting firms, focusing on entrepreneurship and business development. She was Deputy White House Chief of Staff in the Obama administration. https://www.nytimes.com/2021/01/07/business/economy/biden-commerce-labor-secretary-sba.html?mkt_tok=eyJpIjoiTnpKaU16aGJOVFU1TVRjNCIsInQiOiJrXC9CbUtQajBjemdIXC9wektOK2lQOXlvVnIcLzJZZnM2bVFCb0c3SEFRcThKRTU4ZVwvY0UzcVQ2S2p4Wml1cWRHUzV0ZWxyTHc5SszZWeEh5WnFxbjZaVIRjU2w2RHdkdGV6RmJTeFlIb01jVWVIGUmNjRnBqdFM3eUJESmJXV0lWVm4ifQ%3D%3D
- Reports on [the latest COVID-19 data](#) showed that 3,793 Americans died on Tuesday, there were 243,000 new cases, and an additional 132,476 people were hospitalized. The numbers qualify as the [second-highest totals](#) ever during the pandemic.
- The U.S. economy shed 140,000 jobs in December, while the unemployment rate held at 6.7%, the government said on Friday. The job market recovery that had been underway for the past seven months ended last month, buckling from the pressure of the coronavirus pandemic.

FROM NEW YORK

- Governor Cuomo noted: "The increase in infection rate post-holidays is here and is problematic in and of itself, but when combined with the newly found UK strain in NYS and with the federal government's refusal to contain more cases by instituting common sense testing requirement for international travelers, our work has become more complicated." <https://empirereportnewyork.com/governor-cuomo-updates-new-yorkers-on-states-progress-during-covid-19-pandemic-39/>
- New York reported 31,162 total statewide deaths of New Yorkers who tested positive for COVID-19, as of Jan. 6. There were 197 more fatalities in New York on Jan. 6. For more numbers, including the latest statewide and citywide statistics, [click here](#).
- The [latest state data](#) shows New York only doing well in comparison to the ["grim" situation](#) in states like California. Statewide hospitalizations are at their highest levels since early May, with the increase largely driven by record caseloads in upstate regions like the Finger Lakes, Mohawk

Valley and Capitol Region, which have all reported test positivity rates exceeding 10% in recent days.

- Governor Cuomo's coronavirus vaccination team, which has come under fire for a rollout that arguably faltered in its first few weeks, has told New York's county leaders that they will be more involved in the distribution and administration of the vaccines, [the Times Union reports](#).
- New York is continuing its rollout of COVID-19 vaccines, and this week the list of those eligible broadened to include home care workers. [Read More](#)
- While new vaccines offer hope of getting COVID-19 under control sometime in 2021, given the sluggish pace of the vaccine distribution process the virus appears likely to remain a significant threat to New Yorkers for months to come -- especially to anyone who works in close proximity to others. State lawmakers may focus on translating pandemic concerns about workplace safety into state law and giving employees a role in determining safety rules in cooperation with their employers, [according to legislation](#) introduced Wednesday. <https://mailchi.mp/f4667e31de6d/city-state-coronavirus-update?e=e55c2af3e3>. However, the bill does not appear likely to pass anytime soon. Governor Cuomo is scheduled to begin unveiling his [own policy priorities next week](#).
- New York will be home to the Senate Majority Leader, with potential benefits to the state and region – not to mention the rest of the country, [The Buffalo News writes](#).
- New concrete barriers on State Street are the latest effort to tighten security at the state Capitol building in Albany, a day after a violent protest and rioting at the U.S. Capitol by a mob of Trump supporters, [State of Politics 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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