

Wednesday, January 6, 2021

To: New York Community Banks

FROM ICBA

IRS: Some consumers need to file taxes for stimulus payments

The IRS encouraged individuals who do not receive their second-round Economic Impact Payment to file their 2020 tax return electronically and claim the Recovery Rebate Credit. In new [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. In a call earlier this week, the IRS said roughly 13 million in EIP2s went to temporary accounts used by the tax-preparation industry. Those payments will be returned to the IRS, as will payments sent to closed or inactive bank accounts. 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](#). There are some 113 million in EIP2 ACH payments and another 34 million in EIP2s being distributed by check or debit card ahead of their Jan. 15 processing deadline. ICBA is encouraging community bankers to have sufficient cash on hand, ensure staff support to handle customer inquiries and payment exception processing, and expect an increase in remote check deposit.

SBA rules on next PPP round could come today: reports

The SBA is expected to release new rules on the next round of the Paycheck Protection Program as soon as today, according to reports. The stimulus package requires the SBA to issue the new PPP rules within 10 days of enactment of the law, which was signed Dec. 27. While those rules are outstanding, the stimulus provision forgiving Economic Injury Disaster Loan advances to ensure they are not deducted from PPP loan forgiveness amounts is in effect now. However, the SBA will need to determine how it will make whole those borrowers that already received forgiveness payments with the EIDL amount deducted. More details on the PPP provisions of the stimulus package are available in an Independent Bankers Association of Texas [matrix of PPP updates](#) and in [ICBA's summary](#) of the stimulus package's community banking provisions.

FHFA publishes GSE plans for underserved markets

The Federal Housing Finance Agency [published](#) 2021 plans for Fannie Mae and Freddie Mac on serving underserved markets. The Housing and Economic Recovery Act of 2008 requires the enterprises to serve three specified underserved markets—manufactured housing, affordable housing preservation, and rural housing. Due to the COVID-19 pandemic, the FHFA instructed the enterprises to submit one-year plans for 2021 in lieu of three-year plans.

FROM OTHER SOURCES

- The U.S. Treasury Department has sent out more than \$112 billion in stimulus payments electronically, meaning that about two-thirds of the second round of payments approved by Congress is already in households' bank accounts, according to data released Tuesday. The payments—\$600 per adult and \$600 per child—were estimated to cost about \$164 billion in all. https://www.wsj.com/articles/most-second-stimulus-payments-reach-household-bank-accounts-11609885984?mkt_tok=eyJpIjoiTldSak4yRmxOVFl4TnpZeilsInQiOiJYMMDM5czFwTGNkUINReWNjQUg0TldxY3JhbnJmMDVUNFFmUTI2NUVHbXVjVVg3Mmgwem14WnVoVUFvOVZzc0UxcHFoUXJXK3poZzE2eEICSVVVOXdiUmNhcGRnUmU2RTBieUhURFZ6cXBCcmNBQmRXNG15MU1QVjVvcVwvRjNnYUlfQ%3D%3D

- New York City's rising virus numbers are once again forcing high-stakes decisions about whether to keep schools open, leaving students, parents and educators with newfound uncertainty, [The New York Times reports](#).
- The FHA published the 2021 plans for Fannie Mae and Freddie Mac to serve the most vulnerable communities through their Duty to Serve plans. While these plans normally encompass three years - and would need to lay out the plan for years 2021 to 2023 - due to disruptions caused by the COVID-19 pandemic, the FHFA announced the government-sponsored enterprises would be releasing just one year - an extension of their 2018 to 2020 plans. https://www.housingwire.com/articles/fhfa-announces-2021-plans-to-serve-underserved-areas/?mkt_tok=eyJpIjoiTldSak4yRmxOVFl4TnpZeIsInQiOiJYMDM5czFwTGnkUINReWNjQUg0TldxY3JhbnJmMDVUNFFmUTI2NUVHbXVjVVG3Mmgwem14WnVoVUFvOVZc0UxcHFoUXJK3poZzE2eEICSVVVOXdiUmNhcGRnUmU2RTBieUURFZ6cXBCcmNBQmRXNG15MU1QVjVVCVwvRjNnYUlfQ%3D%3D
- The surge in home buying brought on by the coronavirus pandemic may finally be easing up. Mortgage rates are near record lows, but buyers are experiencing sticker shock in an overheated housing market. Mortgage applications to purchase a home fell 0.8% in the two weeks ended Jan. 1, compared with the second week of December, according to the Mortgage Bankers Association. https://www.cnbc.com/2021/01/06/mortgage-demand-from-homebuyers-pulled-back-sharply.html?mkt_tok=eyJpIjoiTldSak4yRmxOVFl4TnpZeIsInQiOiJYMDM5czFwTGnkUINReWNjQUg0TldxY3JhbnJmMDVUNFFmUTI2NUVHbXVjVVG3Mmgwem14WnVoVUFvOVZc0UxcHFoUXJK3poZzE2eEICSVVVOXdiUmNhcGRnUmU2RTBieUURFZ6cXBCcmNBQmRXNG15MU1QVjVVCVwvRjNnYUlfQ%3D%3D
- Democrats closed in on control of the U.S. Senate with a victory by Raphael Warnock in one of Georgia's twin runoff elections and a similar scenario possible in fellow Democrat's Jon Ossoff's race, [The Washington Post reports](#). If Democrats gain control in a 50-50 Senate -- with Vice President Harris the tiebreaking vote -- New York senior Senator Chuck Schumer will become Senate Majority Leader. It would also provide a boost for the new Biden administration's agenda in 2021, including the passage of another round of stimulus measures. [More here](#).

FROM NEW YORK

- Governor Cuomo Tuesday reported that total hospitalizations rose to 8,590. Of the 152,402 tests reported Monday, 12,666 (8.31%) were positive. There were 1,392 patients in ICU yesterday, up 35 from the previous day. Of them, 851 are intubated. 149 New Yorkers lost their lives to the virus. New York has reported a total of 30,802 total statewide deaths of New Yorkers who tested positive for COVID-19. For more numbers, including the latest statewide and citywide statistics, [click here](#).
- The NYS Legislature is [reconvening Wednesday](#) for the beginning of what will likely be a contentious 2021 session, likely including resolving the multibillion-dollar deficit caused by the pandemic. Some legislators are preparing to push new taxes on the wealthy. Others are holding out hope that some creative solutions could lessen fiscal tensions, including mobile sports betting, legalizing recreational marijuana and other past proposals that may be in the Governor's State of the State address.
- The 2021-22 legislative session begins today, and it promises to be challenging in a variety of ways. The most obvious challenge? Due to the on-going pandemic, lawmakers will likely be doing a lot of their deliberating via Zoom. [Read More](#)
- Democrats in the NYS Senate [unveiled their committee chairmanships](#) for the 2021-22 legislative term as the conference now holds a supermajority in the chamber. Senate Banks Committee

Chairman James Sanders (D-Queens) will continue in that position. Democrats created new committees, including one overseeing cities outside of New York City as the party now holds multiple seats in upstate cities like Buffalo, Rochester and Syracuse.

- NYS Senate Democrats on Tuesday announced their committee chairmanships for the 2021-22 legislative session. Senator James Sanders (D-Queens) will continue as Chairman of the Senate Banks Committee. To see a list of all the committee chairmanships, [Read More](#)
- County leaders across New York say the state's coronavirus vaccination rollout is sputtering and are urging Cuomo to activate the mass-vaccination plans that have been in preparation for years but were set aside in favor of a regional approach run by hospitals, [the Times Union reports](#).
- New York City real estate sales picked up in the final months of 2020, but not enough to make up for the shutdown in the early months of the pandemic, [the Times reports](#).
- New York State Attorney General Letitia James announced she is leading a coalition of eight states in suing the Office of the Comptroller of Currency over a new rule that she said would facilitate predatory lending by allowing banks and third-party lenders to work around state laws meant to prevent excessive interest rates.
- Congresswoman Alexandria Ocasio-Cortez (D-Bronx/Queens) has been appointed to the House Oversight and Reform 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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