

Tuesday, February 16, 2021

To: New York Community Banks

FROM ICBA

ICBA [urged federal regulators](#) to hold the Community Bank Leverage Ratio at 8 percent for the remainder of 2021. **Background:** As required by the CARES Act, the agencies lowered the CBLR to 8 percent for 2020, exempting more community banks from risk-based capital requirements. In implementing the law, the regulators issued an interim final rule that will transition the CBLR to 8.5 percent in 2021 and to 9 percent in 2022. **ICBA Position:** Community banks' Paycheck Protection Program lending and Economic Impact Payment deposits have dramatically affected their capital levels and leverage ratios, justifying an extension of the 8 percent CBLR level. **More:** ICBA has also [called on Congress](#) to extend the CBLR level, among other relief, in the pandemic relief package before Congress.

The SBA on Friday night issued two notices on its lending programs. [SBA Procedural Notice 5000-20093](#): Provides guidance on establishing maturities of new 7(a) loans eligible to receive six months of payments under Section 1112 of the CARES Act. Lenders may not artificially shorten loan maturities so that SBA pays all or substantially all of the loan, which would result in the SBA not guaranteeing the loan. [SBA Information Notice 5000-20094](#): Provides guidance and instructions for registering on SAM.gov and reporting the unique identifier to SBA, which is required for recipients of federal loans, loan guarantees, and other financial assistance. **More:** PPP information and resources are available on the [SBA](#) and [Treasury](#) sites and ICBA's [PPP and EIP News](#) page.

The growing push for public banks puts consumers and taxpayers at risk, according to a National Taxpayers Union op-ed. In the [Daily Caller](#), NTU's Andrew Wilford writes that public banks would encourage risky lending while putting taxpayer funds on the line. **ICBA Position:** ICBA opposes the formation of any new public banks—whether owned by states, municipalities, or the U.S. Postal Service—which would create undue taxpayer risk and compete with community banks, diverting deposits from local communities. **What's Next:** Postal banking proposals are expected to be introduced and debated in the 117th Congress, with ICBA expressing opposition in its recent [open letter to lawmakers](#).

ICBA is calling on community bankers to urge their members of Congress to make needed improvements to the Paycheck Protection Program. The [custom grassroots alert](#) on ICBA's Be Heard action center calls for relief from restrictions related to first-draw loan increases, second-draw eligibility, self-employed farmers and ranchers, and live-action venues. [Contact Congress today](#).

The Small Business Administration [said](#) it has provided more than \$200 billion in Economic Injury Disaster Loans to more than 3.7 million small businesses. EIDL funding is used to pay fixed debts, payroll and expenses, accounts payable, and other bills. SBA is accepting EIDL applications through Dec. 31, 2021.

The University of Michigan's consumer sentiment index [declined](#) 3.5 percent in early February from January and was down 24.6 percent from a year ago. The decrease was concentrated in the Expectation Index and among households with incomes below \$75,000, which reported significant setbacks in their finances.

FROM OTHER SOURCES

- The House and Senate are on recess this week.
- House Democrats plan a floor vote on their Covid relief package next week, ahead of a March 14 deadline when key unemployment provisions expire. The House Budget Committee is expected to combine the various pieces of the bill into a reconciliation vehicle after nine House committees held budget hearings last week. The Rules Committee determine procedures governing debate over the package. Once the House acts, the Senate will vote on its own version of the bill, then

the chambers must reconcile differences in their two bills before sending a final bill to the president. <https://www.politico.com/newsletters/huddle/2021/02/16/democrats-big-post-impeachment-agenda-491759?nname=huddle&nid=0000014f-1646-d88f-a1cf-5f46b4be0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630309>

- President Biden is extending a moratorium on home foreclosures for federally backed mortgages until June 30, after previously setting the expiration date at the end of March. He also announced the expansion of a mortgage relief program, pushing the window to request mortgage forbearance until the end of June. ([USA Today](#))
- Biden is traveling to Wisconsin today to pitch his \$1.9 trillion stimulus plan in his first official trip outside Washington since becoming president, raising the pressure on Congress to pass his aid package as negotiations advance.
- Average daily new coronavirus cases in the U.S. dipped below 100,000 in recent days for the first time in months, but experts warn infections remain high and precautions must remain in place. The seven-day rolling average of new infections was well above 200,000 for much of December and went to roughly 250,000 in January. <https://link.apnews.com/view/5fc8ed17db42c9189a65851adnt7m.8u68/951f3e1f>
- [Scientists say it's still too early to predict the future of the virus, but many doubt it will ever go away entirely.](#) One possibility is that the disease continues to persist for a long time but in a much milder form.
- The makers of COVID-19 vaccines are working out how to tweak their recipes just in case the shots need an update against worrisome virus mutations. However, changing the mix is just one step. Harder is deciding if the coronavirus has mutated enough to update vaccines — and if so, how. <https://link.apnews.com/view/5fc8ed17db42c9189a65851adnyqo.89c1/0357b0cb>
- Doctors across the country are seeing a striking increase in the number of young people with a COVID-19-linked condition called Multisystem Inflammatory Syndrome in Children — more patients are now very sick than during the first wave of cases, [the Times reports](#).

FROM NEW YORK

- New York's [on track to get \\$50 billion](#) in a variety of federal relief from the next coronavirus stimulus package — enough to likely avert the steep state budget cuts threatened by Governor Cuomo -- according to House Speaker Pelosi. She broke down the specifics of the cash coming to New York for the state's Democratic House members. It would reportedly include \$12.6 billion in budgetary bailouts for state governments, \$10.6 billion for local governments and \$8.8 billion for 'New York Area Transit' — most of which is for the Metropolitan Transportation Authority, according to a source close to the stimulus talks.
- Admitting a degree of fault for the first time, Governor Cuomo said his administration's lack of transparency about the scope of coronavirus-related deaths in nursing homes in New York was a mistake, but stopped short of a full apology, [The New York Times reports](#). Democratic legislators in New York weren't buying Cuomo's explanation as to why he refused for months to release a true accounting of nursing home residents who died from the coronavirus, [the New York Post reports](#).
- Some Democrats in Albany have floated the legally dubious idea of threatening to rescind Cuomo's pandemic powers and issue subpoenas as leverage in upcoming budget negotiations, [the Daily News reports](#). Assembly Minority Leader Will Barclay called on the state Legislature to cancel its mid-winter break and hold a special session to rescind Cuomo's enhanced authority to oversee and respond to the crisis, [State of Politics reports](#).
- Senator Gillibrand said that the next COVID-19 stimulus package should include \$1.4 billion funding for programs meant to help older Americans, including aid for nutritional services and vaccinations. [Read More](#)
- A new Siena College Poll shows that New York voters approve the job Governor Andrew Cuomo is doing to address the coronavirus pandemic by 61-34%, down only slightly from 63-32% last month. Cuomo gets positive grades for communicating with New Yorkers (67-33%) and

providing accurate information (61-36%), and mixed grades for managing the vaccine rollout (48-49%) and implementing the right plans for reopening New York. However, voters gave Cuomo a negative grade (39-55%) on making public all data about COVID deaths of nursing home patients. <https://scri.siena.edu/2021/02/16/cuomos-handling-of-pandemic-still-gets-strong-approval-particularly-for-communicating-and-providing-accurate-info/>

- The Siena Poll also found New Yorkers strongly support President Biden's \$1.9 trillion COVID relief plan by 75-18 %, and strongly support many of its specific proposals. So far, 16% percent of voters say they've been vaccinated, 59% plan to get vaccinated, and 22% do not plan to get vaccinated. <https://scri.siena.edu/2021/02/16/cuomos-handling-of-pandemic-still-gets-strong-approval-particularly-for-communicating-and-providing-accurate-info/>

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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)