

Wednesday, February 17, 2021

To: New York Community Banks

## FROM ICBA

### ICBA offers 3 ways to support industry advocacy

ICBA is encouraging community bankers to participate in its multifaceted efforts to advance the industry's advocacy objectives.

- **Grassroots:** ICBA's [Be Heard action center](#) features a custom grassroots alert urging Congress to include needed improvements to the Paycheck Protection Program in the next economic stimulus package.
- **Survey:** Community bankers throughout the bank are encouraged to complete ICBA's [State of Advocacy survey](#) to help identify new and existing relationships with lawmakers.
- **Testimonials:** Community bankers can also use [ICBA's capsule page](#) to record a quick video on why community bank advocacy is important to help tell the industry's advocacy story.

### SBA shortens period for relief payments

The SBA issued new guidance adjusting the number of months of 7(a), 504, and Microloan payments it is making for borrowers under Section 1112 of the CARES Act, as amended by Section 325 of the Economic Aid Act. [Procedural Notice 5000-20095](#) says SBA has determined that the \$3.5 billion in funds is insufficient to pay for the six months of payments authorized by the laws. Instead, the guidance includes a plan to proportionally reduce the number of months provided for each category of loans, effectively immediately. **More:** Additional PPP information and resources are available on the [SBA](#) and [Treasury](#) sites and ICBA's [PPP and EIP News](#) page.

### White House extends forbearance, foreclosure protections

The Biden administration [extended](#) the foreclosure moratorium and mortgage forbearance on certain loans through the end of June. The extension—which applies to FHA, VA, and USDA Rural Housing loans—also provides up to six months of additional mortgage payment forbearance to borrowers who entered forbearance on or before June 30, 2020. The FHFA last week [said](#) Fannie Mae and Freddie Mac will extend until March 31 the moratoriums on single-family foreclosures and real-estate-owned evictions for enterprise-backed mortgages.

## FROM OTHER SOURCES

- **UPDATES FROM THE SMALL BUSINESS ADMINISTRATION:**

SBA has released [Procedural Notice 5000-20095 "Adjustment to Number of Months of Section 1112 Payments in the 7\(a\), 504 and Microloan Programs Due to Insufficiency of Funds"](#). A copy of the Notice is attached and noted below. For a link to SBA's website location please [Click Here](#).

On January 19, 2021, SBA issued two Notices in which it set forth the number of months of **Section 1112 payments that covered loans in the 7(a), 504 and Microloan Programs** would receive under Section 1112(c)(1) of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), as amended by Section 325 of the Economic Aid. Please note [this excludes](#) loans under the Payroll Protection Program.

SBA has determined that the \$3.5 billion that was appropriated to carry out Section 325 of the Economic Aid Act is insufficient to make the payments for the periods authorized by Section 1112(c)(1) of the CARES Act, as amended by Section 325 of the Economic Aid Act. **In accordance with Section 1112(c)(7)(B), SBA has developed a plan to proportionally reduce the number of months provided for each category of loans described in the Notice, while ensuring that all amounts made available for the Section 1112 payments are fully expended.**

Under the plan, SBA will make the Section 1112 payments as described in the Notice ([Adjustment Plan](#)). This Adjustment Plan is effective immediately and will be applied to the Section 1112 payments

that SBA makes beginning with the payments made in February 2021. Please carefully review the Notice in full to gain the full understanding of the Adjustment Plan.

*Please note that except as provided in this Notice, all other guidance provided by SBA in SBA Procedural Notices 5000-20079 and 5000-20080 continues to apply.*

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**SBA has released Procedural Notice 5000-20093 and Information Notice 5000-20094. Both are noted below with links to SBA's website location. Please carefully review each Notice in full.**

### **Procedural Notice 5000-20093 – Establishing Maturities for 7(a) Loans to Receive Section 1112 Payments**

The purpose of this Notice is to address the standards that SBA expects 7(a) Lenders to apply in establishing the maturity of new 7(a) loans approved beginning on February 1, 2021 and through September 30, 2021. All 7(a) loan delivery methods (including SBA Express, Export Express, EWCP, Community Advantage Pilot, and Express Bridge Loan (EBL) Pilot) are covered by this Notice. (This Notice does not apply to Paycheck Protection Program Loans made under section 1102 of the CARES Act because the CARES Act excludes these loans from eligibility for section 1112 payments. [Click here](#) to read the entire notice.

### **Information Notice 5000-20094 – SAM Registration for ALL SBA Lending Entities**

The purpose of this Notice is two-fold:

To remind SBA Lenders of the requirement to complete SAM registration and obtain a unique entity identifier (CAGE Code Number). This requirement applies to the following entities that participate in SBA business loan programs:

- 7(a) Lenders, including Paycheck Protection Program (PPP) Lenders
- Certified Development Companies (CDCs)
- Microloan Intermediaries

Further, to provide Lenders information on where to submit the unique identifier also known as CAGE Code Number. [Click here](#) to read the entire notice.

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- President Biden suggested that he's willing to negotiate on his \$15 minimum wage proposal, indicating that lowering that figure to \$12 or \$13 per hour could have some upside or a longer phase-in period than the current proposal of five years is possible. Biden said that while it's "totally legitimate" for small business owners to be concerned, he does still support a \$15 minimum wage. ([The Washington Post](#))
- President Biden said every American who wants a vaccine will be able to get one "by the end of July this year," and said his administration is targeting a full-time return to in-person learning for most K-8 schools within his first 100 days. [https://www.nytimes.com/2021/02/17/us/politics/biden-town-hall-milwaukee.html?mkt\\_tok=eyJpIjoiT0RrMU9HVTNZalZtTUdSbSIsInQiOiJBSW9HOGZPVnpha1wvUWdjdkF3Y1M1Y1I2a283ZUNZR01rMGI3bW94a081S3VEVjc3d2ZwTmx4aU81VE5UMFwvVEI0bTJYMUg4dTVWNmRkazZBNmRcLzA0MVRrZ25JeStLMmtlZUFhYnBcL3U4S DA0eUMrY3BGS3N2bmhmZVZZZWG00RnEifQ%3D%3D](https://www.nytimes.com/2021/02/17/us/politics/biden-town-hall-milwaukee.html?mkt_tok=eyJpIjoiT0RrMU9HVTNZalZtTUdSbSIsInQiOiJBSW9HOGZPVnpha1wvUWdjdkF3Y1M1Y1I2a283ZUNZR01rMGI3bW94a081S3VEVjc3d2ZwTmx4aU81VE5UMFwvVEI0bTJYMUg4dTVWNmRkazZBNmRcLzA0MVRrZ25JeStLMmtlZUFhYnBcL3U4S DA0eUMrY3BGS3N2bmhmZVZZZWG00RnEifQ%3D%3D)

- The U.S. reported **1,353** Covid-19 deaths and **56,000** new coronavirus cases Tuesday. [“Who has died from Covid-19 in the U.S.?”](#) To get a clearer sense of the shifting burden of Covid-19 deaths over time, Vox analyzed coronavirus mortality by age, region, and race from the past year, based on data from the CDC and Johns Hopkins University. The analysis found while Covid-19 spared no group, it impacted certain populations more than others. Throughout the pandemic, people of color have consistently been disproportionately sickened and killed by the virus. They also died young: Of Covid-19 deaths in people under the age of 45, more than 40 percent were Hispanic and about a quarter were Black.”
- U.S. shoppers likely boosted their spending in January buoyed by the stimulus payments received in the most recent \$900 billion Covid-19 relief package. Economists surveyed by The Wall Street Journal estimated that retail sales - a measure of spending at stores, vehicle dealerships, restaurants and online-increased a seasonally adjusted 1.2% in January from a month earlier. [https://www.wsj.com/articles/us-economy-january-retail-sales-coronavirus-recovery-11613503145?mkt\\_tok=eyJpIjoiTXpkaFl6SXpPVFZqWTJGbSIsInQiOiJtVHJYVGI0QmRicHhXSXGxiVmpXZlZFbWpPOXJSZ25PM2NQaitnVE45N0tCbFlOajQ5OVM5YStJV29SeDE1bmhuMGxmT3BhcFVCVnlick42NGFNQnFVcytGVkhOU0cwZlILUHppTkNSNUtNeWszNiZaWXBPdE1XeTVGRFTVdzcrlNiJ9](https://www.wsj.com/articles/us-economy-january-retail-sales-coronavirus-recovery-11613503145?mkt_tok=eyJpIjoiTXpkaFl6SXpPVFZqWTJGbSIsInQiOiJtVHJYVGI0QmRicHhXSXGxiVmpXZlZFbWpPOXJSZ25PM2NQaitnVE45N0tCbFlOajQ5OVM5YStJV29SeDE1bmhuMGxmT3BhcFVCVnlick42NGFNQnFVcytGVkhOU0cwZlILUHppTkNSNUtNeWszNiZaWXBPdE1XeTVGRFTVdzcrlNiJ9)

### FROM NEW YORK

- The [latest state data](#) highlights ongoing progress against the winter surge of COVID-19 cases. All 10 regions in the state are now reporting test positivity rates below 5% and statewide hospitalizations have fallen more than 25% over the past month, to 6,620 people as of Monday. “The numbers continue to trend in a good direction because New Yorkers are taking this virus seriously,” the governor said in a [Tuesday press release](#). Similar progress has been seen nationwide in recent days, though public experts warn that current caseloads mean policymakers should remain cautious about loosening public health restrictions. “We can’t let our guard down yet,” Dr. Thomas Frieden, former head of the New York City Health Department and the Centers for Disease Control and Prevention [tweeted](#) Tuesday.
- Governor Cuomo announced that New York State’s 7-day average COVID-19 positivity rate dropped to 3.71%, the lowest since November 28. COVID hospitalizations dropped to 6,620. Of the 136,392 tests reported yesterday, 6,753, or 4.95%, were positive. There were 1,271 patients in ICU, up one from the previous day. Of them, 878 are intubated. 107 New Yorkers lost their lives to the virus. There have been 37,328 total statewide deaths of New Yorkers who tested positive for COVID-19 during the pandemic. For more details, including the latest statewide and citywide statistics, [click here](#).
- Governor Cuomo acknowledged his administration should have moved faster to release data on the deaths of residents in nursing homes and long-term care facilities, but that's done little to quell the fast rising tide of anger in the State Legislature, where Democrats and Republicans alike are in support of stripping the governor of his emergency power to oversee the pandemic. The Legislature could act as soon as next week. [More here](#).
- Achieving that goal [might not be as simple as just doing away with those powers](#). If the Governor’s ability to issue emergency declarations were taken completely off the books, hundreds upon hundreds of executive orders managing vaccinations, requiring masks, limiting large gatherings, helping nonprofits or providing tax relief would disappear along with them. The Legislature could eventually reenact most of these through the typical lawmaking process, but for the duration of the pandemic it would be left in the position of holding sessions practically every day to deal with key questions. <https://www.politico.com/newsletters/new-york-playbook/2021/02/17/neighborhood-vaccine-disparities-court-allows-release-of-police-discipline-records-push-to-end-cuomo-powers-faces-complications-491776?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317>

- New York faces a \$15 billion budget gap this March, and state lawmakers and Governor Cuomo are debating how to close it. One lifeline could be a multi-billion-dollar aid package from Congress. Another could be increasing taxes on the rich. The Fiscal Policy Institute's chief economist Jonas Shaende reviewed options facing New York officials in the coming weeks, and how they include more than just a straight tax rate increase on upper income earners. [Read More](#)

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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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