

Thursday, February 25, 2021

To: New York Community Banks

FROM ICBA

PPP small borrower window opens, other reforms effective next week

One of the Biden administration's Paycheck Protection Program reforms announced [earlier this week](#) started yesterday, with the rest set to be implemented next week.

Now: A 14-day period during which only businesses with fewer **than 20 employees can** apply for PPP relief started yesterday. Applications already in the pipeline or requiring error resolution will continue to be processed during this period.

Next Week: Several other reforms are not set to take effect until next week. SBA said it will communicate details on these program changes this week.

- A revised loan calculation formula for **sole proprietors, independent contractors, and self-employed individuals** will reportedly use gross income instead of net income, as advocated by ICBA. Further, \$1 billion will be set aside for PPP loans to businesses in this category that do not have employees and that are located in low- or moderate-income areas.
- Qualifying restrictions for small-business owners delinquent on their **federal student loans** or with prior **non-fraud felony convictions** will be eliminated.
- **Non-citizen small-business owners** who are lawful U.S. residents may use Individual Taxpayer Identification Numbers to apply for relief.

More: Additional PPP information and resources are available on the [SBA](#) and [Treasury](#) sites and ICBA's [PPP and EIP News](#) page.

FinCEN issues advisory on EIP fraud

The Financial Crimes Enforcement Network [issued an advisory](#) to alert financial institutions to fraud and other financial crimes related to Economic Impact Payments. The advisory contains descriptions of EIP fraud, associated red flag indicators, and information on reporting suspicious activity.

Senate committee advances SBA nomination

The Senate Small Business Committee voted 15-5 to advance the nomination of Isabella Guzman to be SBA administrator. The vote sends the nomination to the full Senate. Guzman is director of California's Office of the Small Business Advocate.

Vilsack presents ag agenda during USDA stakeholders meeting

Newly confirmed Agriculture Secretary Tom Vilsack met virtually with ICBA and other USDA stakeholders to present a robust outline of the new administration's farm and rural agenda. Vilsack discussed topics including:

- Further CFAP 2 and COVID payments.
- Increasing exports by opening new markets.
- Vaccinating rural Americans.
- Ensuring nutrition programs are permanent, modern and convenient.
- Enhancing broadband and rural health-care infrastructure.
- Promoting climate change to reduce carbon emissions.
- Increasing local food markets.
- Reducing unfair competition and concentration in ag supply chains.

New-home sales continue gains

New-home sales [increased](#) 4.3 percent in January to a seasonally adjusted annual rate of 923,000, the Commerce Department reported. Sales were up 19.3 percent from a year ago.

FROM OTHER SOURCES

- The Food and Drug Administration said Johnson & Johnson's single-dose COVID-19 vaccine is 66 percent effective in preventing moderate to severe disease and showed signs of slowing the coronavirus's spread. The regulator's ruling paves the way for the agency to authorize the nation's third COVID-19 vaccine in the coming days. ([The Wall Street Journal](#))
- Lawmakers are still awaiting a key ruling from the Senate parliamentarian on whether President Biden's proposed \$15-an-hour minimum wage can remain in his \$1.9 trillion coronavirus relief bill under the reconciliation process. Top Senate aides from both parties huddled with the parliamentarian Wednesday to advance arguments about whether the minimum wage increase would be allowable under those complex Senate rules that will govern consideration of the legislation. https://www.washingtonpost.com/us-policy/2021/02/24/biden-stimulus-covid-relief-minimum-wage/?mkt_tok=eyJpIjoiWWpFeE56VTRZVFZpTkdvNCIsInQiOiJmbWl3eDltdW5ZWnRYVEgyZ210eWFJYmd0UEVGSWl2cWVyWTZpd1NXS2dLNDJaMU1BTlJWVklkVVRXeVJreVFvcURnVm55RjU0QTVQM0VQZ0lLZkd3TXpZY01BOFFsSzRKbHNtZEdVcFwvRDZicDVBU2xYd0Z3Q0RnN0NINld2T2QifQ%3D%3D
- Senior executives from more than 150 companies voiced support for President Biden's \$1.9 trillion stimulus package in a letter to congressional leaders, urging them to pass coronavirus relief. The letter is signed by leaders across industries, including David Solomon, chairman and chief executive officer at Goldman Sachs; Stephen Schwarzman, the chairman and CEO of Blackstone; Sundar Pichai, the CEO of Google; and John Stankey the CEO of AT&T. https://www.bloomberg.com/news/articles/2021-02-24/more-than-150-executives-back-biden-1-9-trillion-stimulus-plan?mkt_tok=eyJpIjoiWWpFeE56VTRZVFZpTkdvNCIsInQiOiJmbWl3eDltdW5ZWnRYVEgyZ210eWFJYmd0UEVGSWl2cWVyWTZpd1NXS2dLNDJaMU1BTlJWVklkVVRXeVJreVFvcURnVm55RjU0QTVQM0VQZ0lLZkd3TXpZY01BOFFsSzRKbHNtZEdVcFwvRDZicDVBU2xYd0Z3Q0RnN0NINld2T2QifQ%3D%3D
- According to a new Morning Consult/Politico poll, 76% of voters said they back the new \$1.9 trillion stimulus package, while 17% of voters said they oppose it. [Read more.](#) Meanwhile, 60% of voters "somewhat" or "strongly" approve of President Biden's handling of the pandemic, including 91% of Democrats and 23% of Republicans. [Read more.](#)
- Speaking before the House Financial Services Committee, Fed Chairman Powell avoided commenting directly on any specific policy measure during his testimony, including President Biden's \$1.9 trillion economic stimulus plan, but did say that in the short term, the country needs to help workers impacted by COVID-19 and noted the disproportionate impact of the pandemic on women and minorities. ([The New York Times](#))
- Biden revoked a number of executive orders issued by former President Trump, including one signed in 2017 that directed the government to streamline financial industry regulations in an attempt to lessen the impact of the Dodd-Frank Act. ([Bloomberg](#))
- Jared Bernstein, a member of the White House Council of Economic Advisers and a top economic adviser to President Biden, said that economic activity will pick up as the pandemic recedes and Americans are vaccinated against Covid-19, but the recovery will be gradual rather than sudden. https://www.wsj.com/articles/biden-economic-aide-sees-steady-recovery-as-covid-19-vaccinations-progress-11614193573?mkt_tok=eyJpIjoiWWpFeE56VTRZVFZpTkdvNCIsInQiOiJmbWl3eDltdW5ZWnRYVEgyZ210eWFJYmd0UEVGSWl2cWVyWTZpd1NXS2dLNDJaMU1BTlJWVklkVVRXeVJreVFvcURnVm55RjU0QTVQM0VQZ0lLZkd3TXpZY01BOFFsSzRKbHNtZEdVcFwvRDZicDVBU2xYd0Z3Q0RnN0NINld2T2QifQ%3D%3D

- Not waiting for more federal help, states like Maryland and California have been approving their own coronavirus aid packages, spending hundreds of millions of dollars to help residents and business owners devastated by the pandemic's economic fallout, [the Associated Press reports](#).

FROM NEW YORK

- Governor Cuomo announced a COVID-19 positivity rate was 2.85 % the lowest since November 21. 5,876 patients were hospitalized statewide. 1,154 Patients in the ICU; 800 Intubated. There were 99 COVID-19 deaths in the state. For further details, including regionalized breakouts of the data: <https://empirereportnewyork.com/governor-cuomo-announces-lowest-single-day-covid-19-positivity-rate-since-november-21/>
- The push to reform the nursing home industry continues following recent revelations that thousands more nursing home residents died of COVID-19 in hospitals than previously known. State Senate Democrats have already passed a package of bills, but it remains to be seen when their counterparts in the Assembly will take up the legislation. A final resolution on the issue might not materialize for several more weeks. Whether or not it happens in the state budget ,[as the governor is pushing for](#),
- State legislators and the Cuomo administration are seeking agreement at a revenue hearing on exactly how much the state has to spend in the upcoming budget. Financial analysis respectively released by the [state Senate](#) and [Assembly](#) show there is about \$1.5 billion in projected revenues separating their plans from those already released by the governor. “These differences are largely attributable to differences in economic projects and how these translate into tax receipts,” reads the Assembly analysis. The two documents offer in-depth details on the effects of COVID-19 on state finances, but you don’t have to be a certified fiscal nerd to know the state faces unprecedented fiscal challenges. [Click here](#) to see what state leaders want to do about that.
- NYS Health Commissioner Zucker [is expected to mount the latest defense of Gov. Andrew Cuomo's handling](#) of Covid-19 nursing home deaths during a legislative budget hearing on Thursday. The commissioner will join NYS Financial Services Superintendent Lacewell and Acting Medicaid Inspector General Ives at a hearing on the health and Medicaid-related provisions of the governor’s Fiscal Year 2022 budget. Lawmakers will likely also press Zucker about policies enacted as the coronavirus spread across New York, including a March 25 Department of Health nursing home readmission advisory at the center of the current debate.
- Two teams of researchers found that a new form of the coronavirus is spreading rapidly in New York City, carrying a worrisome mutation that may weaken the effectiveness of vaccines, [The New York Times reports](#).
- State Assembly Democrats privately huddled yesterday to craft a plan to remove the emergency powers given to Cuomo last year to address the coronavirus pandemic, [the Post 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)**