

Friday, February 26, 2021

To: New York Community Banks

We received the following information from Nina Chen of the New York State Department of Financial Services regarding last week's DFS webinar on climate change, and we wanted to be sure you have the opportunity to review it.

-- John

Thank you for attending last week's DFS webinar on the Fundamentals of Financial Risks from Climate Change! Many of you have asked for the recording and the slides. You can find them in the "Resources" section of our [climate page](#). Please feel free to reach out if you have any further questions or comments.

*Best regards,
Nina*

*Yue (Nina) Chen, Ph.D.
Director of Sustainability and Climate Initiatives
New York State Department of Financial Services
Cell: 518-530-3475 | nina.chen@dfs.ny.gov
www.dfs.ny.gov*

FROM ICBA

ICBA urging grassroots on PPP reform

With Congress considering the next pandemic relief package, ICBA is calling on community bankers to urge lawmakers 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.](#)

FHFA extends foreclosure, eviction moratoriums through June

The [Federal Housing Finance Agency](#) said Fannie Mae and Freddie Mac will extend the moratoriums on single-family foreclosures and real-estate-owned evictions from March 31 to June 30.

Details: The FHFA foreclosure moratorium applies to enterprise-backed, single-family mortgages. The REO eviction moratorium applies to properties that have been acquired by an enterprise through foreclosure or deed-in-lieu-of-foreclosure transactions.

More: The FHFA also said borrowers with a Fannie or Freddie mortgage may be eligible for an additional three-month extension of COVID-19 forbearance, allowing a total of up to 18 months of forbearance.

Background: The extension through June aligns the Fannie and Freddie relief with the [Biden administration's](#) recent forbearance and moratorium extension for FHA, VA, and USDA Rural Housing loans.

CDFI Rapid Response Program open for applications

The Community Development Financial Institutions Fund [opened](#) the CDFI Rapid Response Program for applications.

Background: The \$1.25 billion program awards emergency funds to help qualifying, certified CDFIs respond to COVID-19 economic hardships.

Deadline: All applications must be submitted to the CDFI Fund by Thursday, March 25.

More: Program details are available on the [CDFI Fund website](#).

FinCEN consolidates COVID-19 SAR instructions

The Financial Crimes Enforcement Network [issued a notice](#) to consolidate advisories and notices on COVID-19-related threats to help financial institutions file Suspicious Activity Reports involving such threats. The notice includes filing instructions, key terms, and tables.

Syndicated loan risk rises

Credit risk for large, syndicated loans has [increased](#) over the past year, according to the banking agencies' latest Shared National Credit Review. The elevated risk is largely attributed to the effects of COVID-19, with many agent banks strengthening their risk management systems since the previous downturn, according to the report.

FROM OTHER SOURCES

- The U.S. reported 2,332 Covid-19 deaths and 76,000 new coronavirus cases Thursday. <https://www.politico.com/newsletters/playbook/2021/02/26/progressives-suffer-their-first-big-blow-of-the-biden-presidency-491915?nname=playbook&nid=0000014f-1646-d88f-a1cf-5f46b7bd0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630318>
- The Senate parliamentarian ruled Democrats may not include a measure to raise the federal minimum wage in their COVID-19 relief package under the chamber's reconciliation procedure that would allow them to bypass a Republican filibuster. With the House set to pass the \$1.9 trillion measure as soon as today, some Democrats are calling for the Senate to overrule or oust the parliamentarian, while Senate Budget Committee Chairman Bernie Sanders, an advocate for a minimum wage increase, has said he will try a workaround: amending the legislation to eliminate tax deductions for companies that don't pay workers at least \$15 an hour. While House Democrats still plan to include the hike in their coronavirus relief bill, set for a vote Friday night, Democrats in both chambers agree it will not make it into the final version of the bill. ([The Associated Press](#)). . .([The Wall Street Journal](#))
- Senate Majority Leader Schumer reportedly believes he can pass President Biden's \$1.9 trillion coronavirus package but wants to avoid any last-minute changes that could jeopardize its trajectory. While President hoped to enlist Republican support, Schumer has worked to ensure he has a solid 50 votes to muscle it through if necessary. https://www.axios.com/schumer-covid-relief-bill-8bfb7c6c-bade-4335-bbac-5c5f0ae4b9ab.html?mkt_tok=eyJpIjoiTkdObU1tUXIZbVE1TIRjNSIsInQiOiJnNnU1am54YnJkSnRhbGdHUXFBMHhyZlE0Q0xcL05BRIRwazFqVitqblR4U0ZtTFInNG1MYTRVZ3FEU3BQVlNreDY5bkh1QzI3dTBENUi3enRpa2d5YVZnNjEtJZVc4bU1WQ0lRVWtncU4aER6dzhjbmhzZExKTTNUQ1g1K28rQXQifQ%3D%3D
- Fed Vice Chair Quarles said economic stimulus efforts could be masking risks to banks by helping to buoy borrowers temporarily, making it difficult to tell if banks can keep up with loans with their own finances, or whether doing so is reliant on government support. Quarles also said the Fed is thinking about ways to "reduce the volatility" in annual stress tests while maintaining their difficulty. ([Reuters](#))
- Business Roundtable, the voice of America's top CEOs, launched "Move the Needle," a campaign to support President Biden in rolling out COVID vaccines, increasing vaccine uptake and encouraging masks. "Masks and vaccines are working. Now is the time to keep at it, overcome pandemic fatigue, and double down on the measures that will end this public health and economic crisis, said Business Roundtable president and CEO Josh Bolten, . https://www.axios.com/business-roundtable-ceos-vaccines-biden-ee530952-5fcf-44d6-ad93-8fcbde49875f.html?mkt_tok=eyJpIjoiTkdObU1tUXIZbVE1TIRjNSIsInQiOiJnNnU1am54YnJkSnRhbGdHUXFBMHhyZlE0Q0xcL05BRIRwazFqVitqblR4U0ZtTFInNG1MYTRVZ3FEU3BQVlNreDY5bkh1QzI3dTBENUi3enRpa2d5YVZnNjEtJZVc4bU1WQ0lRVWtncU4aER6dzhjbmhzZExKTTNUQ1g1K28rQXQifQ%3D%3D

- The White House will announce alliances with top business groups, including the U.S. Chamber of Commerce, Business Roundtable, National Association of Manufacturers, and leaders in Hispanic, African American, AAPI and other minority business organizations, to provide businesses with toolkits and best practices on COVID-19 to help organizations provide accurate and up to date information to their employees and customers. The Administration will work with business groups and individual companies to highlight the innovative ways that America's private sector continues to rise to the challenge. https://www.axios.com/business-roundtable-ceos-vaccines-biden-ee530952-5fcf-44d6-ad93-8fcbde49875f.html?mkt_tok=eyJpIjoiTkRkbU1EWtJaRFpoWkRNeiIsInQiOiJmYVQ2VXp1RUNiaVF0MVNlcEVVMVhsWEVIUHkVXRHUKY1SDQyZFNcL2lCY1Y5SXBUMGN4cnJ0Sk16QXI3YUR0YTBlL2gxK3U1QkxcL1YycnJZWFWNWEU3aXArMnUyQ1V6c3YzSDhDSXI3K1NcLzVhQkVTdEUzK0hsdlFMUnBzTEhHb3EifQ%3D%3D
- The Biden administration expanded unemployment insurance eligibility Thursday to include workers who refused job offers at unsafe worksites, making good on a pledge to reduce the pressure on people who say they have been forced to choose between staying healthy or getting a paycheck. The U.S. Department of Labor made the shift Thursday in response to a January executive order from President Biden that broadened the eligibility of Pandemic Unemployment Assistance (PUA) to include workers whose unemployment benefits were denied because they refused to return to workplaces that were not in compliance with coronavirus health and safety standards or turned down positions because of those concerns. https://www.washingtonpost.com/business/2021/02/25/biden-unemployment-unsafe-pandemic/?mkt_tok=eyJpIjoiTkRkbU1EWtJaRFpoWkRNeiIsInQiOiJmYVQ2VXp1RUNiaVF0MVNlcEVVMVhsWEVIUHkVXRHUKY1SDQyZFNcL2lCY1Y5SXBUMGN4cnJ0Sk16QXI3YUR0YTBlL2gxK3U1QkxcL1YycnJZWFWNWEU3aXArMnUyQ1V6c3YzSDhDSXI3K1NcLzVhQkVTdEUzK0hsdlFMUnBzTEhHb3EifQ%3D%3D
- Federal officials continue to see the U.S. economy in recovery mode. Several noted they aren't concerned about the recent rise in long-term bond yields and see no need to use monetary policy to push against it. New York Fed President John Williams: "Despite the near-term challenges, the longer-term outlook for the economy has improved, and our actions of the past year position monetary policy well to support a strong, full recovery and achievement of our goals of maximum employment and price stability." https://www.wsj.com/articles/fed-officials-upbeat-on-outlook-bond-yield-rise-not-source-of-concern-11614289644?mkt_tok=eyJpIjoiTkRkbU1EWtJaRFpoWkRNeiIsInQiOiJmYVQ2VXp1RUNiaVF0MVNlcEVVMVhsWEVIUHkVXRHUKY1SDQyZFNcL2lCY1Y5SXBUMGN4cnJ0Sk16QXI3YUR0YTBlL2gxK3U1QkxcL1YycnJZWFWNWEU3aXArMnUyQ1V6c3YzSDhDSXI3K1NcLzVhQkVTdEUzK0hsdlFMUnBzTEhHb3EifQ%3D%3D
- Jobless claims fell sharply last week, the U.S. Labor Department reported Thursday. First-time filings for unemployment insurance totaled 730,000 for the week ended Feb. 20, well below the Dow Jones estimate of 845,000. https://www.cnbc.com/2021/02/25/weekly-jobless-claims.html?mkt_tok=eyJpIjoiTkRkbU1EWtJaRFpoWkRNeiIsInQiOiJmYVQ2VXp1RUNiaVF0MVNlcEVVMVhsWEVIUHkVXRHUKY1SDQyZFNcL2lCY1Y5SXBUMGN4cnJ0Sk16QXI3YUR0YTBlL2gxK3U1QkxcL1YycnJZWFWNWEU3aXArMnUyQ1V6c3YzSDhDSXI3K1NcLzVhQkVTdEUzK0hsdlFMUnBzTEhHb3EifQ%3D%3D
- *Washingtonian Magazine* profiled "Washington's Most Influential People" -- the 250 experts and advocates who'll be shaping the policy debates of the years to come." **ICBA President & CEO Rebeca Romero Rainey** is among those included in the Banking and Finance section. <https://www.washingtonian.com/2021/02/25/washingtons-most-influential-people/#Antitrust>

FROM NEW YORK

- Governor Cuomo profiled an update on the state's COVID-19 status. 5,703 patients were hospitalized statewide. 1,124 patients were in the ICU. 774 were intubated. The statewide positivity rate was 3.14%, and the 7-day average positivity – 3.34% – was the lowest since November 27. For further details, including regional breakouts: <https://empirereportnewyork.com/governor-cuomo-updates-new-yorkers-on-states-progress-during-covid-19-pandemic-64/>. Of the 278,942 tests reported yesterday, 8,746, or 3.34 percent, were positive. There were 1,124 patients in ICU yesterday, down 30 from the previous day. Of them, 774 are intubated. 89 additional New Yorkers lost their lives to the virus. 91% of first doses allocated to the state have been administered. See data by region and county on the State's Vaccine Tracker: ny.gov/vaccinetracker.
- Governor Cuomo started the year as one of the nation's most powerful governors, a household name seen as racing toward a potential fourth term in office. Two months later, he's embroiled in two major scandals and facing a daily onslaught of questions about deaths in nursing homes, accusations of sexual impropriety and growing speculation that his political career may be in jeopardy.
- Governor Cuomo's health commissioner [came under a five-hour virtual grilling](#) on Thursday as lawmakers, including some of Cuomo's fellow Democrats, sought more details about the governor's nursing home policies during the earliest weeks of the coronavirus pandemic last spring. [Read More](#)
- Over the last three years, local health departments in New York have been the first line of response for a variety of public health concerns: Vaping related lung illnesses in 2018, a measles outbreak in 2019 and, last year, the first global pandemic in a century. [Read More](#)
- New York farmers this year are seeking immigration reforms, improved trade policies and having a seat at the table in shaping climate change policy. The pandemic, meanwhile, remains an ever-present challenge. [Read More](#)
- [Working from home](#) has created a glitch for companies benefitting under START-UP NY's tax free program.

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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)**