

Tuesday, February 9, 2021
To: New York Community Banks

FROM ICBA

SBA begins EIDL repayments today

The SBA today will begin remitting reconciliation payments for Paycheck Protection Program loans with a forgiveness payment that was reduced by the amount of an Economic Injury Disaster Loan advance. In a [notice issued last night](#), the agency said PPP lenders are not required to request remittance of the reconciliation payment. The SBA will automatically identify affected loans and issue payments through Friday, Feb. 19.

The reconciliation payment will equal the previously deducted EIDL advance amount, plus interest through the remittance date. The payment amount will be displayed on the Payment Dashboard under the Adjustment column. As advocated by ICBA and community banks, the end-of-year stimulus package fully forgives EIDL advances to ensure they are not deducted from PPP loan forgiveness amounts. The SBA also issued an updated [Procedural Notice](#) on the process of reporting PPP loans and collecting processing fees. The notice includes the fee structure for first- and second-draw loans and includes information on requesting payment, creating lender portal accounts, reporting on fully disbursed loans, and more. Additional PPP information and resources are available on the [SBA](#) and [Treasury](#) sites, ICBA's [PPP and EIP News](#) page, the Independent Bankers Association of Texas's [matrix of PPP updates](#) in the stimulus law, and [ICBA's summary](#) of the stimulus package's community banking provisions.

READ EIDL NOTICE

ICBA pitches provisions for pending relief package

ICBA today is advancing its recommendations for the pandemic relief package before Congress. Developed with community bankers, the ICBA recommendations in today's [letter to Congress](#) include:

- Expanding support for Paycheck Protection Program lending and implementing needed PPP reforms.
- Extending troubled debt restructuring relief and capital, accounting, and Community Bank Leverage Ratio reforms.
- Allowing interest on loans secured by agricultural real estate or primary residences in rural communities to be tax-exempt.
- Preserving and extending the CARES Act's five-year net-operating-loss tax provisions.
- Extending the government-sponsored enterprises' qualified mortgage patch to January 2022.
- Raising the bank-qualified municipal bond annual issuance limit.
- Ensuring regulators do not classify agricultural loans as substandard at least through the end of 2022.

The COVID package now in play is being advanced under more challenging budget reconciliation rules for including any provisions. ICBA will work with Congress to advance these policies as the debate over pandemic relief continues in the coming weeks.

Consumer fraud losses surge in 2020: FTC

The Federal Trade Commission [said](#) it received more than 2.1 million fraud reports from consumers in 2020. Consumers reported losing more than \$3.3 billion to fraud in 2020, up from \$1.8 billion in 2019. According to the FTC, imposter scams remained the most common type of fraud reported to the agency, followed by online shopping, internet services, prizes and sweepstakes, and telephone and mobile services. More fraud information and resources are available on ICBA's [Cyber & Data Security page](#).

Consumer expectations improve in January

Household expectations for spending and home prices for the coming year [improved](#) sharply in January, according to the New York Fed. The Survey of Consumer Expectations rose by 0.8 percentage point to 4.2 percent, the highest level recorded in more than five years. It was the second-largest month-to-month increase in the history of the series.

FROM OTHER SOURCES

- The U.S. reported 1,309 Covid-19 deaths and 78,000 new coronavirus cases Monday.
- Rep. Ron Wright (R-Texas) became the first sitting member of Congress to die after contracting COVID-19. The 67-year-old cancer survivor had represented a safe Republican congressional district outside of Dallas since 2019. ([CNN](#))
- Transportation Secretary Pete Buttigieg will quarantine for 14 days after a member of his security detail tested positive Monday [for the coronavirus](#).
- Evidence is mounting that having COVID-19 may not protect a person against getting infected again with some of the new variants emerging around the world. New research also suggests that [people can get second infections with earlier versions of the coronavirus if they mounted a weak defense the first time](#), as the drive to vaccinate Americans is gaining speed and newly recorded cases have fallen to their lowest level in three months. The CDC said more than 4 million more vaccinations were reported over the weekend, a significantly faster rate than in previous days, but health authorities say Americans may have to pay the price for Super Bowl Sunday, when many flouted safety guidelines.
- The U.S. is currently administering about 1.4 million vaccination shots a day. About 9.5% of people in the U.S. have already gotten one dose but demand still outstrips supply in cities across the country, and anecdotes abound about difficulties of trying to get appointments. Scientists say vaccinations need to be as fast as possible to prevent more contagious coronavirus variants from taking over. https://www.npr.org/sections/coronavirus-live-updates/2021/02/08/965604545/white-house-covid-19-adviser-andy-slavitt-says-there-are-no-vaccine-silver-bulle?mkt_tok=eyJpIjoiWldFeVpUWXdpVGVd5TmptjNSIsInQiOiJiKzY1d2ZOd2hMZWVsYytTWlZucVVQUmkxMmhMWmQ4SGFIYZX5NmI0c0pFbnZNVXhxZkhYZXp4bUMyWGhMaXFjMTdzOXZdGNWY0QVF6Nm5Gb2xTODVWNHhpFSURiOUFFXC9xOGpEMG5cLzZCNVRRREUxXC9mM1EwRUtaWVwvNHdpVHo0K0lifQ%3D%3D
- New Jersey has the highest COVID-19 death rate in the nation: 1 out of every 406 residents has died from the virus. In New York, the number is 1 out of every 437 people (See [report](#).) In Mississippi, 1 out of every 477 people has died. And in South Dakota, which was slammed in the fall, 1 of every 489 people has died. California, which has generally suffered severe regional outbreaks that don't span the entire state, the death rate is 1 in 899. Vermont had the lowest death rate, at 1 of every 3,436 residents.
- 28% of respondents in the weekly [Axios/Ipsos Coronavirus Index](#) have resumed in-person gatherings outside the home, Margaret Talev [writes](#): That figure was 42% for Republicans, but only 10% for Democrats — and 15% for people 65+
- House Democrats proposed legislation to send the full stimulus payment of \$1,400 to individuals earning up to \$75,000 a year and couples earning \$150,000 a year, instead of lowering that threshold to \$50,000 and \$100,000, respectively. Embracing higher income levels for direct payments signals Democrats are moving ahead on the \$1.9 trillion economic stimulus package proposed by President Biden, even without Republican support. ([The Washington Post](#))
- A \$15 minimum wage, which President Biden and many Democrats are trying to pass as part of the economic stimulus package, could lift 900,000 Americans above the poverty threshold, according to a study released by the Congressional Budget Office. It could also cause 1.4 million Americans to lose their jobs in the next four years, the CBO said. ([The Wall Street Journal](#))
- The U.S. federal budget deficit widened sharply last month according to the nonpartisan Congressional Budget Office, as the latest coronavirus-relief package from Congress passed in December sent direct stimulus payments to millions of Americans. The monthly deficit widened to an estimated \$165 billion in January, compared with \$33 billion in January 2020 and \$144 billion in December, the CBO estimated. https://www.wsj.com/articles/u-s-budget-deficit-widened-to-738-billion-in-first-four-months-of-fiscal-year-cbo-says-11612816433?mkt_tok=eyJpIjoiTmprMVkyTmxObVF4TXpNMCIiInQiOiJaNEhsUDVwOFd5d

[0dveU1qZmQ1MkYrajI3azFLWmt5ak9SUFZvc2JONFNkcFwvQUlcL11UY1RFakZqVmlQeHd0OHkrQlBickhLSDhxVEp5OCtsblhNV3U3VDh1MytrUIBkNmdMNmpZbDY0QkhZeTRZUWNES2RXcmJwYktRU1lnSXdvIn0%3D](https://www.wsj.com/articles/democrats-are-divided-over-bidens-coming-pick-of-a-top-bank-regulator-11612793228?mkt_tok=eyJpIjoiTmprMVkyTmxObVF4TXpNMCIzInQOIjJaNEhsUDVwOFd5d0dveU1qZmQ1MkYrajI3azFLWmt5ak9SUFZvc2JONFNkcFwvQUlcL11UY1RFakZqVmlQeHd0OHkrQlBickhLSDhxVEp5OCtsblhNV3U3VDh1MytrUIBkNmdMNmpZbDY0QkhZeTRZUWNES2RXcmJwYktRU1lnSXdvIn0%3D)

- A dispute over the choice to head the OCC is highlighting fault lines among Democrats on issues from racial diversity to ties to the Obama administration as President Biden fills out his leadership team. Michael Barr, an Obama and Clinton administration alumnus, is the leading contender, but some progressive Democrats are making a last-ditch effort supporting Mehrsa Baradaran, a law professor and author who is favored by, among others, Senate Banking Chairman Sherrod Brown (D-OH), favor Ms. Baradaran.
https://www.wsj.com/articles/democrats-are-divided-over-bidens-coming-pick-of-a-top-bank-regulator-11612793228?mkt_tok=eyJpIjoiTmprMVkyTmxObVF4TXpNMCIzInQOIjJaNEhsUDVwOFd5d0dveU1qZmQ1MkYrajI3azFLWmt5ak9SUFZvc2JONFNkcFwvQUlcL11UY1RFakZqVmlQeHd0OHkrQlBickhLSDhxVEp5OCtsblhNV3U3VDh1MytrUIBkNmdMNmpZbDY0QkhZeTRZUWNES2RXcmJwYktRU1lnSXdvIn0%3D
- The biggest U.S. banks reduced the portion of their collective balance sheets they're dedicating to loans to a new low, extending a trend that's seen the largest lenders put less and less of their firepower behind everyday borrowers. Total loans at the 25 biggest U.S. banks comprise less than 46% of their combined assets, down from 54% this time last year, according to weekly Federal Reserve data.
https://www.bloomberg.com/news/articles/2021-02-08/biggest-u-s-banks-keep-lending-less-and-less-of-their-money?mkt_tok=eyJpIjoiTmprMVkyTmxObVF4TXpNMCIzInQOIjJaNEhsUDVwOFd5d0dveU1qZmQ1MkYrajI3azFLWmt5ak9SUFZvc2JONFNkcFwvQUlcL11UY1RFakZqVmlQeHd0OHkrQlBickhLSDhxVEp5OCtsblhNV3U3VDh1MytrUIBkNmdMNmpZbDY0QkhZeTRZUWNES2RXcmJwYktRU1lnSXdvIn0%3D
- Sen. Richard Shelby, former Senate Banking Committee Chairman and the top Republican on the Senate Appropriations Committee, announced he will not seek reelection next year -- the fourth incumbent GOP senator to do so.
https://www.rollcall.com/2021/02/08/alabama-sen-richard-shelby-announces-he-will-retire-after-2022/?mkt_tok=eyJpIjoiWldFeVpUWXdpVGd5TmptNSIsInQOIjJiKzY1d2ZOd2hMZwVsYytTWlZucVVQUmkxMmhMWmQ4SGFIYXZ5NmI0c0pFbnZNVXhxZkhYZXp4bUMyWGhMaXFjMTdzOXDGNWY0QVF6Nm5Gb2xTODVWNHpfSURIouFFXC9xOGpEMG5cLzZCNVRRREUxXC9mM1EwRUtaWVwvNHdpVHo0K0IifQ%3D%3D

FROM NEW YORK

- Governor Cuomo's COVID-19 update yesterday featured the following information: New York City Restaurants Can Now Open on Lunar New Year Day -- Guidance Available [Here](#); There were 7,716 patients hospitalized statewide; 1,454 patients were in the ICU; 961 were intubated; the statewide positivity rate was 4.28%, and there were 114 COVID-19 deaths in the state. For further details, including regional breakouts of the data:
<https://www.governor.ny.gov/news/governor-cuomo-announces-new-york-city-indoor-dining-can-reopen-early-february-12>
- The state is expecting a "mad dash" as COVID-19 vaccine eligibility expands. Starting on February 14, New Yorkers with underlying health conditions will be able to start scheduling COVID-19 vaccine appointments. [Read More](#)
- Small businesses in New York hammered by the COVID-19 pandemic could be in store for some relief with a measure introduced this week that would use up to \$100 million in federal disaster funds for an emergency small business grant program. [Read More](#)

- New York’s eviction moratorium is meant to aid tenants at risk of losing their homes, but some families have to be sued for eviction before they can get help paying rent – a Catch-22 at the heart of a new Legal Aid lawsuit against the state, [The City reports](#).
- [Gov. Andrew Cuomo](#) announced Monday that indoor dining will reopen in New York City beginning Friday, two days earlier than originally planned.
- New York officials are releasing updated data on the number of nursing home residents who have died during the pandemic after being competed by a court order, and the overall picture is a lot grimmer: a toll that is closer to 15,000 residents, a significantly higher number of fatalities than the state initially claimed. [More here](#).
- New York City’s public school system will take another step toward a full reopening later this month by welcoming middle school students back into classrooms that have been shuttered since November, [The New York Times reports](#).

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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)**