

Tuesday, March 16, 2021

To: New York Community Banks

FROM ICBA

PPP loans reaching smallest borrowers: SBA data

The current round of the Paycheck Protection Program is successfully reaching smaller borrowers, according to recent [data from the SBA](#).

Details: The SBA said 94 percent of PPP loans in the latest round are less than \$250,000, totaling 52 percent of loan volume. Further, 92 percent of PPP loans worth 50 percent of loan volume are going to businesses with 20 or fewer employees.

Community Banks: The data also show that banks and savings and loans under \$50 billion in assets account for 60 percent of PPP lending in the current round.

ICBA Advocacy: ICBA [supports](#) bipartisan legislation to extend the PPP by allowing borrowers to apply for loans through May 31 and giving the SBA until June 30 to consider applications.

Grassroots Advocacy: Meanwhile, ICBA is calling on community bankers to [urge their members of Congress](#) to make needed changes to the PPP if it is extended to ensure applicants are not left stranded.

FROM OTHER SOURCES

- President Biden [said](#) his administration will reach 100 million coronavirus vaccine doses and 100 million relief checks distributed to the public in the next 10 days.
- Democrats, including Senate Majority Leader Chuck Schumer (D-N.Y.), are pressing the White House to repeal the \$10,000 limit for deducting state and local taxes — the so-called SALT cap — from their federal tax bill. Removing the limit — imposed by President Trump's 2017 tax reforms — would cost about \$88.7 billion a year, according to the Joint Committee on Taxation. Repealing is deeply unpopular with progressives, who argue it would favor the rich, but many voters in high-tax (and Democratic) states — like New York, New Jersey, Connecticut, Maryland and California — oppose the limit. The provision is scheduled to expire at the end of 2026. [Go deeper](#).
- Technical errors and other mistakes led the SBA to accidentally pay out \$692 million in duplicate small-business coronavirus relief loans, according to a report from the SBA Inspector General. Officials at the agency said that going forward, the SBA will flag all suspected duplicate loans for further review, and plan to have the issue resolved by September. ([Reuters](#))
- The Senate convenes and will resume consideration of Isabella Guzman to be Biden's Administrator of the Small Business Administration. <https://www.politico.com/newsletters/huddle/2021/03/16/dems-gop-prep-dueling-messages-on-covid-bill-492125?nname=huddle&nid=0000014f-1646-d88f-a1cf-5f46b4be0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630309>
- Senate Banking Committee Chairman Sherrod Brown (D-Ohio) and Sen. Elizabeth Warren sent a letter to Goldman Sachs Group Inc. Chief Executive David Solomon asking how the bank utilized the temporary weakening of capital requirements last year, which regulators authorized as a means to help banks lend, and asked him to share data on lending as well as the bank's distribution of cash to shareholders. The senators wrote that despite the regulators' intentions, it's

been reported that "banks are devoting a smaller share of their resources to lending for small businesses and households." ([Bloomberg](#))

- Government relief programs and lenders' forbearance have kept U.S. small businesses from defaulting on their debt en masse as revenue slumped during the pandemic crisis, according to a new analysis. Among small firms nationwide, 18.3% of business payments were past due in January, a modest increase from 17.7% in February 2020.
https://www.bloomberg.com/news/articles/2021-03-16/u-s-small-businesses-are-holding-off-debt-apocalypse-for-now?mkt_tok=ODUwLVRBQS01MTEAAAF72eAAf9QxoE6k42B2yyi5eD3nAbeeTwLjACrnpXP7eAlmL8C1h3O0m2WYVFiH0gMsPCgKQNfHGZ3_TANd7h4L0eXpkYxSBhLausx_Ec-Tg9jP

FROM NEW YORK

- Governor Cuomo reported that COVID hospitalizations rose slightly to 4,517. Of the 127,005 tests reported yesterday, 5,807, or 4.57%, were positive. There were 923 patients in ICU yesterday, down four from the previous day. Of them, 614 are intubated. 58 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov> 22.5% of New Yorkers have completed at least one vaccine dose. Over the past 24 hours, 122,778 total doses have been administered. To date, New York administered 6,699,848 total doses with 11.6% of New Yorkers completing their vaccine series. See data by region and county on the State's Vaccine Tracker: ny.gov/vaccinetracker.
- The impeachment investigation of Cuomo will be "very broad" and likely go beyond the allegations of sexual harassment leveled against him, Assembly Speaker Carl Heastie told reporters today, [State of Politics reports](#).
- The New York State Assembly is in the process of [hiring an outside law firm to help with its impeachment investigation](#) of Cuomo, Speaker Carl Heastie said today.
- The effort to remove Governor Cuomo from office -- either through impeachment or his own resignation -- may take some time as lawmakers seek a deliberative investigation that will cover a broad range of controversies facing the governor. [Read More](#)
- New York City Mayor de Blasio called for a [state or federal investigation](#) into allegations that Covid-19 vaccine distribution may have been tied to political loyalty to Governor Cuomo, who is already facing calls for resignation amid sexual harassment claims and his administration's pandemic response in nursing homes.
- Kathy Hochul, Governor Cuomo's loyal Lieutenant Governor, is tested as crisis engulfs him: [New York Times](#)
- The NYS Senate and Assembly passed their one house budgets on Monday, each proposing more than \$200 billion in spending. These one house budgets will not be finalized as is, but if enacted would be one of the largest spending plans in New York's history. [Read More](#)
- New York's tax revenue continues to lag behind last year's final month prior to the start of the COVID-19 pandemic, but the amount of money the state is bringing in is higher than initial estimates, according to Comptroller Tom DiNapoli. [Read More](#)
- New York Assembly Speaker Carl Heastie said he expects state budget negotiations to continue as "normal," despite his decision to authorize an impeachment inquiry of Governor Andrew Cuomo over allegations from multiple women of sexual harassment, and a nursing home scandal.

- New York is "very close" to striking a deal that would [legalize recreational marijuana](#), Cuomo said today. State lawmakers are nearing an agreement on a bill to legalize adult-use marijuana in New York, and a final bill could be voted on as early as next week. If approved, New York would be the latest state to allow for the commercial sale of cannabis products, opening up a large market to the rapidly expanding industry. [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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