

Wednesday, March 17, 2021

To: New York Community Banks

## FROM ICBA

### House passes PPP extension with Senate outlook in question

The House voted 415-3 to pass ICBA-supported legislation to extend the Paycheck Protection Program, though the Senate outlook remains unclear.

**House:** Introduced by Rep. Carolyn Bourdeaux (D-Ga.) and cosponsored by House Small Business Committee Chairwoman Nydia M. Velázquez (D-N.Y.) and Ranking Member Blaine Luetkemeyer (R-Mo.), the House-passed bill would allow borrowers to apply for loans through May 31 and give the SBA until June 30 to consider applications.

**Senate:** A Senate companion bill has been introduced by Senate Small Business Committee Chairman Ben Cardin (D-Md.), committee member Jeanne Shaheen (D-N.H.), and Sen. Susan Collins (R-Maine). While questions remain about Senate passage, a [committee hearing](#) on the PPP slated for 2:30 p.m. (Eastern time) today likely will provide a clearer outlook.

**Advocacy:** ICBA [strongly supports](#) the PPP extension and is urging Senate passage. Meanwhile, community bankers can continue using ICBA's Be Heard grassroots center to [urge their members of Congress](#) to make needed changes to the PPP if it is extended.

### EIPs start depositing today

The first tranche of new Economic Impact Payments sent through the ACH Network is effective today.

**Payment Clarity:** In a joint statement, ICBA and other financial services groups clarified that the March 17 payment date was chosen by the IRS—not the banking industry. The statement notes the government could have sent the funds via Same Day ACH or implemented an earlier effective date.

**Garnishment:** Maryland Gov. Larry Hogan issued an [emergency order](#) protecting the payments from garnishment, potentially setting off a patchwork of state garnishment protections. While ICBA urged policymakers to protect these payments from garnishment—like previous EIPs—banks are otherwise legally required to act on any garnishment order.

**Resources:** More EIP information is available in updated frequently asked questions from [ICBA](#) and the [IRS](#) as well as the agency's [Get My Payment portal](#).

### Guzman confirmed for SBA administrator

The Senate voted 81-17 to confirm Isabel Guzman as the next SBA administrator. Guzman previously served as director of the California Office of the Small Business Advocate.

### Capital Summit features remarks from Senate Banking chairman

The 2021 virtual [ICBA Capital Summit](#) is set to livestream April 27 with remarks from Senate Banking Committee Chairman Sherrod Brown (D-Ohio) and other leading policymakers. The event also will feature virtual Capitol Hill visits with members of Congress and staff on critical community banking advocacy priorities. [Learn more and register.](#)

### Key economic indicators decline

- **Builder Confidence:** [Declined](#) 2 points in March to 82 on rising lumber and other material prices.
- **Retail Sales:** [Decreased](#) 3.0 percent in February but remained up 6.3 percent from a year ago.
- **Industrial Production:** [Fell](#) 2.2 percent in February largely due to severe winter weather in the South.

- **Business Inventories:** [Rose](#) 0.3 percent in January but remained down 1.8 percentage points from a year ago.

### FROM OTHER SOURCES

- In an 81-17 vote, the Senate confirmed Isabel Guzman to lead the Small Business Administration, where she will oversee the Paycheck Protection Program, the forgivable loan program that just received another \$7.3 billion in funding as part of President Biden's American Rescue Plan. Guzman had bipartisan support as well as backing from small business groups. She previously directed California's Office of the Small Business Advocate and was Deputy Chief of Staff and Senior Adviser to SBA Administrator Maria Contreras-Sweet during the Obama administration. ([Roll Call](#))
- National Economic Council Deputy Director Bharat Ramamurti said President Biden's forthcoming tax plan will include higher rates on corporations and wealthy Americans in an effort to provide help to lower-income families and middle-class households making around \$110,000 annually. Ramamurti noted "the president believes strongly that the biggest corporations and those folks who have done extremely well over the last several decades should pay a bit more." He didn't provide a timeline for the plan. ([Bloomberg](#))
- Polling has consistently shown that the \$1.9 trillion stimulus package is [popular among both Democratic and Republican voters](#), despite united GOP congressional opposition. Senate Minority Leader McConnell suggested GOP voters wouldn't favor it as much if they knew what was in the package. However, new Morning Consult/Politico polling found two-thirds of GOP voters back the \$1,400 stimulus checks to some Americans, and about half support extending the \$300 in additional weekly unemployment benefits. Less popular among GOP respondents was the aid to state, local and tribal governments, as well as money to failing union pension plans. [Read more here.](#)
- Twenty-one Republican state attorneys general on Tuesday threatened to take action against the Biden administration over its new \$1.9 trillion coronavirus stimulus law, decrying it for imposing "unprecedented and unconstitutional" limits on their states' ability to lower taxes. [https://www.washingtonpost.com/us-policy/2021/03/16/republicans-threat-stimulus/?mkt\\_tok=ODUwLVRBQS01MTEAAAF73wL-6VHPg8qa6mgwwZoyPi8MTnK0RI2RCaXW\\_mVWIoTw54kEPyEX10q95zx\\_HApJbw\\_W9fENppKCcY6Eob9oFtDtaW5ln1Nl\\_VmBjtT1xJBz](https://www.washingtonpost.com/us-policy/2021/03/16/republicans-threat-stimulus/?mkt_tok=ODUwLVRBQS01MTEAAAF73wL-6VHPg8qa6mgwwZoyPi8MTnK0RI2RCaXW_mVWIoTw54kEPyEX10q95zx_HApJbw_W9fENppKCcY6Eob9oFtDtaW5ln1Nl_VmBjtT1xJBz)
- Mastercard Inc and Visa Inc on Tuesday postponed plans to raise the fees U.S. merchants pay when customers use cards online until April next year, as businesses continue to struggle during the COVID-19 pandemic. [https://www.reuters.com/article/us-mastercard-fee/mastercard-visa-to-delay-raising-card-fees-until-april-next-year-idUSKBN2B82K2?mkt\\_tok=ODUwLVRBQS01MTEAAAF73wL-67qFxFxJUUh3XLe-KMc\\_XqZyPwmkweGQwcRpXvQ\\_uQ\\_sR6NgxvSbMBAC9imepNjgH9N8JOGYFC3H8zzuvxW4tmPUMFrGOt2UacOYILAVEg](https://www.reuters.com/article/us-mastercard-fee/mastercard-visa-to-delay-raising-card-fees-until-april-next-year-idUSKBN2B82K2?mkt_tok=ODUwLVRBQS01MTEAAAF73wL-67qFxFxJUUh3XLe-KMc_XqZyPwmkweGQwcRpXvQ_uQ_sR6NgxvSbMBAC9imepNjgH9N8JOGYFC3H8zzuvxW4tmPUMFrGOt2UacOYILAVEg)
- Natasha Sarin, an economist and assistant law professor at the University of Pennsylvania, has been named deputy assistant secretary for microeconomics in the Treasury Department's Office of Economic Policy. ([Reuters](#))
- Federal Reserve officials will likely note an improving economic outlook at their policy meeting this week, while also stressing that it is too early to change their plans for interest rates and bond purchases. [https://www.wsj.com/articles/fed-seen-standing-firm-on-interest-rates-bond-purchases-11615887002?mod=hp\\_lista\\_pos4&mkt\\_tok=ODUwLVRBQS01MTEAAAF73wL-6lx9E3FQw4pNyTw30nLyAdIYUglf0CgAXgd3bfYlHnaVuDmNSqdoMtuUMsK5Gx9\\_adfdB5oTt1oyBE5IC9GCsRzYsq32umtksjtd9oeO](https://www.wsj.com/articles/fed-seen-standing-firm-on-interest-rates-bond-purchases-11615887002?mod=hp_lista_pos4&mkt_tok=ODUwLVRBQS01MTEAAAF73wL-6lx9E3FQw4pNyTw30nLyAdIYUglf0CgAXgd3bfYlHnaVuDmNSqdoMtuUMsK5Gx9_adfdB5oTt1oyBE5IC9GCsRzYsq32umtksjtd9oeO)

## FROM NEW YORK

Governor Cuomo updated New Yorkers on the COVID-19 situation in the state.

- COVID hospitalizations rose to 4,657. Of the 157,096 tests reported, 6,508, or 4.14 % were positive.
- There were 943 patients in ICU yesterday, up 20 from the previous day.
- Of them, 609 are intubated.
- 51 New Yorkers lost their lives to the virus. *For more details:* <https://www.governor.ny.gov>
- 22.9 % of New Yorkers have completed at least one vaccine dose.
- New York has administered 6,834,384 total doses to date
- 11.8% of New Yorkers have completed their vaccine series. *See data by region and county on the State's Vaccine Tracker:* <ny.gov/vaccinetracker>.
- State Senate Majority Leader Stewart-Cousins has [yet to meet with Gov. Andrew Cuomo](#) amid his dueling scandals and her calls for his resignation — despite the deadline for the state budget being just two weeks away. She said both chambers are working hard to hammer out the budget ahead of the April 1 deadline, even without the governor's input. Stewart-Cousins reiterated she personally told Cuomo to step down amid his spiral of sexual harassment allegations and COVID-19 nursing home death toll cover-up 'for the good of the state.'"
- [Yahoo News reported](#) on the leaked audio of a closed-door meeting with Assembly Democrats debating the impeachment investigation of Gov. Andrew Cuomo.
- President Joe Biden said Gov. Andrew Cuomo should resign if an investigation confirms claims he committed sexual harassment, adding that he thinks Cuomo would also be prosecuted if that's the case, [ABC News reports](#).
- Days after Lindsey Boylan became the first woman to accuse Cuomo of sexual harassment on Twitter in December, people tied to the governor started circulating an open letter that they hoped former staff members would sign to damage her credibility, [The New York Times reports](#).
- NYS Assembly and Senate Democrats are [pushing to increase taxes on the state's top earners](#) beyond the level proposed earlier this year by Governor Cuomo and have introduced a new surcharge on capital gains as budget negotiations enter their final phase. Their proposed tax packages would each raise more than \$6.5 billion of additional revenue with a variety of new and increased levies and would boost total state spending above \$200 billion by increasing outlays for education, transportation and healthcare and by adding grant programs for small businesses and tenants. The proposals didn't include taxing financial transactions or imposing a form of wealth tax on unrealized capital gains, but Senate and Assembly leaders have proposed increases to the state's personal income tax, estate tax and corporate franchise tax. The higher taxes would affect individuals reporting more than \$1 million of income."
- The budget proposal approved by Senate Democrats, while packed with revenue-generating taxes on the wealthy, doesn't include a long-sought tax on high-end second homes or increased levies on billionaires, [the Daily News reports](#).
- The spending spree proposed in the legislative one-house budgets would benefit many New Yorkers, but ultimately would do more harm than good as millionaires have the means to pack up and move to states with lower taxes; corporations can do the same, [The Buffalo News writes](#).
- Over the past five weeks, New York City housing courts [have seen a nearly 1,000-percent increase](#) in the number of tenants submitting newly created documents that allow them to delay eviction proceedings, state data shows. Just under 24,000 households across New York City have submitted 'hardship declaration' forms that were instituted by the state in December 2020,

according to the Office of Court Administration. In most cases, renters who complete the simple form indicating that they have faced financial hardship due to the COVID-19 pandemic will postpone their eviction proceedings until at least May 1.

- State lawmakers are close to reaching an agreement on legalizing adult use cannabis in New York, but a familiar hurdle to its final passage remains: Reconciling the concerns raised by some Democratic lawmakers over traffic safety. [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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