

Thursday, March 18, 2021

To: New York Community Banks

FROM ICBA

90M EIPs disbursed this week

The Treasury Department and IRS [said](#) they disbursed roughly 90 million Economic Impact Payments this week.

First Batch: Totaling more than \$242 billion, the first tranche of EIPs went through the ACH Network with an official payment date of March 17.

Recipients: The first batch primarily went to eligible taxpayers who provided direct deposit information on their 2019 or 2020 returns, including people who successfully used the IRS Non-Filers tool last year.

Checks: Treasury also mailed roughly 150,000 checks worth approximately \$442 million.

Garnishment: Despite ICBA advocacy, the American Rescue Act does not exempt these payments from garnishment, unlike previous EIPs. Banks remain legally required to act on garnishment orders.

CFPB: In a [statement](#), the Consumer Financial Protection Bureau encouraged financial institutions and debt collectors to allow stimulus payments to reach consumers. In a [blog post](#), the bureau encouraged consumers to contact their financial institution if they've been subject to garnishment.

Next: Additional batches and payments will be sent in the coming weeks, with the vast majority issued via direct deposit.

Resources: More EIP information is available from [ICBA](#), the [IRS](#), the [Federal Reserve](#), and the federal [Get My Payment portal](#).

ICBA backs bill offering rural lending tax relief

ICBA [expressed support](#) for legislation to exempt from taxation interest income on farm real estate and rural mortgage loans.

Details: Introduced by Reps. Ron Kind (D-Wis.) and Randy Feenstra (R-Iowa), the Enhancing Credit Opportunities in Rural America Act (ECORA) would promote lending and support better rates and terms in rural communities.

More: "This important legislation will help sustain and revive rural economies struggling to overcome the impact of the COVID-19 pandemic while providing community bank lenders with benefits they can pass on to customers, similar to other rural credit providers," ICBA President and CEO Rebeca Romero Rainey said in a [national news release](#).

ICBA urging grassroots outreach on PPP reform

ICBA is urging community bankers to use its [Be Heard grassroots action center](#) to urge their members of Congress to make needed changes to the Paycheck Protection Program if it is extended beyond March 31. Community bankers can continue to get involved by registering for the 2021 virtual [ICBA Capital Summit](#), which is set to livestream April 27 with remarks from leading policymakers and virtual Capitol Hill visits.

Individual tax filing deadline extended to May 17

The Treasury Department and IRS [extended](#) the federal income tax filing due date for individuals for the 2020 tax year from April 15 to May 17. The IRS will provide formal guidance in the coming days.

Fed holds interest rates, upgrades projections

The Federal Open Market Committee [voted](#) to hold benchmark interest rates at zero to 0.25 percent to maintain accommodative conditions, though the Fed upgraded its [assessment](#) of economic conditions. The Fed increased its projected 2021 GDP increase to 6.5 percent from 4.2 percent in December and lowered its unemployment rate projection to 4.5 percent from 5.0 percent.

FROM OTHER SOURCES

- A "Morning Consult" economist analyzed the rapid rise in consumer confidence following the signing the \$1.9 trillion stimulus bill into law, noting it increased more rapidly than after the signing of the two prior coronavirus stimulus bills. Confidence among low- and middle-income consumers rose more sharply than among high-income consumers. If new cases remain relatively stable, the American Rescue Plan should support increases in U.S. consumer confidence over the next five months, particularly among low- and middle-income Americans. [Read more here.](#)
- The coronavirus relief and stimulus legislation signed into law by President Biden is [earning high marks from voters](#), according to a new POLITICO/Morning Consult poll. More than seven in 10 voters (72%) support the new law, while just 21 % oppose it.
- The Fed delivered a "sunny" economic outlook following its two-day policy meeting, projecting the economy to grow 6.5% this year, up from the 4.2% percent estimate in December, and forecasting unemployment to decline to 4.5% from its present 6.2% rate by the end of the year. The Fed also raised its inflation projection to 2.4% from 1.8% by the end of 2021, plans to keep short-term interest rates near zero through 2023 and will continue purchasing at least \$120 billion in bonds on a monthly basis. ([The Associated Press](#))
- Fed Chairman Powell maintained remained silent over whether the Fed will agree to Wall Street banks' request to extend a capital break that helped calm the Treasury market a year ago but is set to expire this month. https://www.bloomberg.com/news/articles/2021-03-17/powell-stays-silent-on-extending-fed-s-capital-relief-for-banks?mkt_tok=ODUwLVRBQS01MTEAAAF75DV9Kg57PGemMG5F9nS-iCpWCCk4LAINouccSGw3BWxe4u8wnyEP_XmOZm_ysEKAAP6XSZcXX7V5Qc7iSMJ7PqLtMA8kTuKPjzba25atrXDQ
- The pace of new COVID cases in the U.S. has stabilized as vaccinations ramp up, Axios health care editor Sam Baker [writes](#). . . A safe return to some version of normalcy, even if it's not as complete as it could be, is still close at hand, thanks to the vaccines. The pace of new infections got better over the past week in 13 states, got worse in another 13, and held steady everywhere else. Michigan saw the biggest jump in new cases, at 53%. The biggest improvements were in Alabama, Arizona, California and Georgia, each of which saw a decline of over 30% in new cases per day. [Share this map.](#)
- The Biden administration will spend \$10 billion in American Rescue Plan funds [to screen schoolchildren for Covid-19](#) to help hasten their return to in-person learning. The Education Department also will begin distributing nearly \$122 billion in new Covid relief funding for the nation's K-12 schools, and said it would be made available to states "this month."

FROM NEW YORK

- COVID hospitalizations dropped to 4,624. Of the 263,401 tests reported yesterday, 8,976, or 3.41%, were positive. There were 954 patients in ICU yesterday, up 11 from the previous day. Of them, 601 are intubated. 54 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. 23.5% of New Yorkers have completed at least one vaccine dose. New York has administered 7,003,834 total doses with 12.2% of New Yorkers completing

their vaccine series. See data by region and county on the State's Vaccine Tracker: ny.gov/vaccinetracker.

- **New York has now fully vaccinated more than 12% of its population and eligibility continued to expand Wednesday, including public-facing employees who work for non-profits or for the government. [Read More](#)**
- Governor Cuomo received the single dose Johnson & Johnson COVID-19 vaccine on Wednesday at an event with prominent supporters of his in the Black community, and he urged New Yorkers to get whichever version of the vaccine that is made available to them. [Read More](#)
- New York will receive \$335 million in new federal funds to increase coronavirus testing in public K-12 schools as the Biden administration floods schools with money in an effort to restart classroom learning across the country, [the Times Union reports](#).
- A year ago this week, New York shut down to try to curb the spread of COVID-19. City & State spoke with public health experts about what has worked and [what has gone wrong with the pandemic response since then](#).
- A [bipartisan caucus of upstate state lawmakers](#) focused on regional issues was formed today in order to push a range of concerns, including the health of the region's economy, education and government reform.
- State legislators are considering the creation of a fund to aid workers who do not have qualified for federal stimulus aid and other benefits during the pandemic. One progressive think tank in a new report found \$3.5 billion is needed to provide support. [Read More](#)
- [New York is moving to lift](#) some COVID restrictions for businesses, but not restaurants.
- [Syracuse University has suspended](#) in-person dining as its campus's positive rate grows.
- Despite the state attorney general's ongoing investigation into sexual harassment allegations against Gov. Andrew M. Cuomo, senior aides to the governor said they are [also conducting their own](#) 'parallel review' of a female aide's recent account. Meanwhile, Cuomo accuser Lindsay Boylan said [she won't be participating](#) in the Assembly's "sham" investigation. . .and, the Governor's office [has hired outside lawyers to represent his Executive Chamber](#) in an investigation into accusations that the governor acted inappropriately to aides in the workplace.

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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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