

Friday, March 26, 2021

To: New York Community Banks

FROM ICBA

Congress votes to extend PPP

Congress passed ICBA-advocated legislation to extend the Paycheck Protection Program ahead of its March 31 expiration, sending the extension to President Joe Biden to sign into law.

Background: Under existing law, any application not approved by March 31—even if it was submitted prior to that date—cannot receive PPP funds. The newly passed bill allows borrowers to apply for loans through May 31 and gives the SBA until June 30 to consider applications.

ICBA Position: ICBA strongly supported the two-month extension to ensure small-business and nonprofit applicants are not stranded by an abrupt shutdown.

What's Next: With the PPP extended, ICBA continues urging Congress and the SBA to make program fixes related to eligibility, use of proceeds, farm partnerships, and Schedule C borrowers.

More: PPP information and resources are available on the [SBA](#) and [Treasury](#) sites and ICBA's [PPP and EIP News](#) page.

READ ICBA RELEASE

FROM ICBA PRESIDENT & CEO REBECA ROMERO RAINEY:

Congress today passed ICBA-advocated legislation to extend the Paycheck Protection Program ahead of its March 31 expiration.

Today's Senate vote—which followed last week's House passage—sends the extension to President Joe Biden to sign into law.

Background: Under existing law, any application not approved by March 31—even if it was submitted prior to that date—cannot receive PPP funds. **The newly passed bill allows borrowers to apply for loans through May 31 and gives the SBA until June 30 to consider applications.**

What it Means: This much-needed, two-month extension will ensure small-business and nonprofit applicants are not stranded by an abrupt shutdown. ICBA supports ensuring every potential borrower that needs a loan gets one.

What's Next: With the PPP extended, ICBA continues urging Congress and SBA to make the following program fixes:

- **First-Draw Increase Eligibility:** Allow borrowers with forgiven loans to apply for a loan increase.
- **Second-Draw Eligibility:** Allow those applying for a first draw in 2021 to apply for a second draw.
- **Second-Draw Use of Proceeds:** Establish a level of spending on ineligible expenses that would not disqualify borrowers from receiving a second loan.
- **Farm Partnerships:** Provide agricultural partnerships with equitable access to funding.
- **Schedule C Borrowers:** Allow Schedule C filers to apply for a loan increase under new SBA rules allowing them to use the gross income method.

More: PPP information and resources are available on the [SBA](#) and [Treasury](#) sites and ICBA's [PPP and EIP News](#) page.

Sincerely

Rebeca Romero Rainey

President and CEO

Independent Community Bankers of America

2021 Capital Summit set for April 27

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.](#)

Mortgage performance declines in Q4: OCC

First-lien mortgage performance in the federal banking system declined during the fourth quarter of 2020 due to the COVID-19 pandemic, according to the [OCC](#). The agency said 93.3 percent of mortgages included in the report were current and performing at the end of the quarter, compared to 96.5 percent a year earlier.

Q4 GDP rise up to 4.3%

The gross domestic product rose at an annual rate of 4.3 percent in the fourth quarter of 2020, up from previous estimates, according to the Commerce Department's [third estimate](#). The department's first estimate for the first quarter of 2021 is set for release on April 29.

FROM OTHER SOURCES

- As the pace of coronavirus vaccinations increases, President Biden announced Thursday he [would double his goal of getting 100 million shots in arms](#) by his 100th day in office. While Biden called the new target of 200 million doses “ambitious,” the U.S. is on pace to meet it, with an average of about 2.5 million doses per day administered over the past week. <https://s2.washingtonpost.com/camp-rw/?trackId=60197967ae7e8a31ba1ab47c&s=605cf3af9d2fda4c881c0504&linknum=4&linktot=63>
- Infections are trending upward in most states. [Cases rose by 4 percent nationwide in the past week](#) as Michigan, Colorado, Connecticut, South Dakota and Hawaii reported increases of more than 30 percent, according to data tracked by The Post. [32 states had a higher seven-day average](#) number of cases than a week earlier. The rest of the world is seeing a similar rise in infections that experts say is caused by the spread of new variants. <https://s2.washingtonpost.com/camp-rw/?trackId=60197967ae7e8a31ba1ab47c&s=605cf3af9d2fda4c881c0504&linknum=4&linktot=63>
- [Track confirmed cases, hospitalizations and deaths in the United States](#) and the spread [around the world](#).
- U.S. vaccine distribution and delivery, [tracked by state](#).
- After a job drought that resulted in the highest unemployment levels since the Great Depression, the labor market is shaking off the pandemic's effects, setting the stage for an economic revival in the coming months. The U.S. Labor Department reported that new claims for jobless benefits fell to their lowest weekly level in the last year, a sign that the faster rollout of vaccines and the passage of a \$1.9 trillion relief package are having an effect. https://www.nytimes.com/2021/03/25/business/economy/weekly-unemployment-claims.html?mkt_tok=ODUwLVRBOS01MTEAAAF8DXSd79BgLPNpFY4hiZpK0C3opswx_xYpiYR84gHuK8jNazikiiNAo1D_qdsQ_R3R6TGv7z8KESRM3sJXfVIhBt0KQOKK7oUrEPOGhwsHyYdl
- The Senate voted 92-7 to extend the Paycheck Protection Program for another two months, sending the bill to President Joe Biden's desk. Republican and Democratic lawmakers reached a deal quickly and with support from a broad slate of trade groups, including bank groups that warned loan applications could be stuck in processing backlogs created by new Small Business Administration fraud checks. [Politico](#)

FROM NEW YORK

- New York state reported there were 45 COVID-19 deaths and 8,081 new cases yesterday, and the state has now administered 8,231,872 total vaccine doses. New York City reported there were 3,280 new cases in the city yesterday. For more numbers, [click here](#).
- Governor Cuomo relaxed visitation rules for nursing homes, effective immediately. Residents of those facilities can now receive visitors at all times, with some exceptions, including for residents not vaccinated for COVID-19, [Newsday reports](#).
- The president of Regeneron, a pharmaceutical company with longstanding ties to Cuomo, received special access to coronavirus testing last year as the first wave of the pandemic tore through New York and tests were severely limited, [the Times reports](#).
- The top Democrat on the [Assembly's impeachment investigation](#) today said the inquiry could be expanded to include reports that Gov. Andrew Cuomo's family members and those with ties to the administration received access to COVID-19 testing in the early days of the pandemic. <https://www.politico.com/newsletters/new-york-playbook-pm/2021/03/25/got-pot-492247?nname=new-york-playbook-pm&nid=00000177-6f21-d412-abff-6ff79d730000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=2693080>
- The reported decision to allow Governor Cuomo's family and associates special access to COVID-19 tests may have run afoul of a state law prohibiting public officials from using their position for personal gain, according to government-reform advocates. [Who should lead an investigation](#) has left those same watchdogs perplexed. The Governor's office has maintained the early days of the pandemic were an uncertain time, and that testing was needed to trace back sources of infection. [Read More](#)
- [Bills slated to pass the state Senate today](#) include [a proposal](#) to prohibit workplace retaliation for COVID-19 absences.
- The [Assembly passed several bills](#), including [legislation](#) expanding tenant access to small claims court.
- A scientist argues that New York should [impose a final monthlong stay-at-home order](#) to save lives while the vaccine distribution process continues rather than let politics guide the economic reopening.
- The May 1 expiration of a statewide eviction moratorium means [bills are coming due](#) for renters who have no means of paying.
- Governor Cuomo and legislative leaders are aiming to make a budget deal by April 1 despite unprecedented challenges. Here is where the budget negotiations stand on some of the biggest issues facing the state. <https://www.cityandstateny.com/articles/policy/budget/8-contentious-issues-state-budget-negotiations.html>
- With sentiment about Governor Cuomo declining amid scandal, Senate Majority Leader Schumer has emerged as New York's most popular statewide Democrat. According to Morning Consult Political Intelligence tracking, 81% of New York Democrats approve of Schumer's job performance - including 40% who do so strongly. "[Read more on our latest New York polling here](#)."

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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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