

Thursday, April 1, 2021

To: New York Community banks

FROM ICBA

IRS issuing refunds on unemployment benefit change

The [IRS said](#) it will automatically refund money to Americans who already filed their taxes with unemployment compensation information before the American Rescue Plan instituted changes.

Background: Signed on March 11, the law allows taxpayers who earned less than \$150,000 in modified adjusted gross income to exclude 2020 unemployment compensation up to \$20,400.

Payments: Any tax overpayment will be either refunded or applied to outstanding taxes owed. The first refunds will be issued in May and continue into the summer.

More: The IRS earlier this week said it expects to begin issuing additional EIPs this weekend to federal beneficiaries who do not normally file a tax return. More information on these payments is available on [ICBA's updated FAQs on EIPs](#).

CFPB rescinds policy statements granting temporary relief

The Consumer Financial Protection Bureau [rescinded](#) seven policy statements issued last year that provided temporary flexibilities to financial institutions on mortgage lending, credit reporting, credit cards, and prepaid cards. The CFPB also rescinded its 2018 bulletin on supervisory communications and replaced it with a revised bulletin describing its use of “matters requiring attention” to convey supervisory expectations. The rescissions are effective today.

Funding influx headed to municipalities

With the American Rescue Plan Act funding \$350 billion in direct aid to cities and municipalities, ICBA is encouraging affected community banks to prepare for the influx in deposits.

Background: Treasury will write regulations for implementing the relief payments before the funds are distributed.

Preparation: ICBA encourages community bankers to check with municipal customers on the amount of relief they expect to receive and where they plan to bank the money to help plan for the influx and impact on capital ratios.

Advocacy: ICBA continues calling on policymakers to extend Community Bank Leverage Ratio flexibility given the impact of relief efforts on their capital levels. ICBA is urging [regulators](#) and [Congress](#) to hold the CBLR at 8 percent through 2021, among other relief.

Private sector adds 517K jobs in March

Private-sector employment [increased](#) by 517,000 jobs in March on a seasonally adjusted basis, according to ADP. Small businesses added 174,000 jobs, while mid-sized and large businesses added 188,000 and 155,000, respectively.

Pending home sales decrease again

Pending home sales decreased 10.6 percent in February following an 8 percent decline in January, the National Association of Realtors [reported](#). After eight consecutive months of year-over-year gains, sales were down 0.5 percent from a year ago.

FROM OTHER SOURCES

- The Biden administration will unveil its first television advertisements to encourage Americans to get vaccinated against the coronavirus, part of a series of pro-vaccine messages as the White House pushes to achieve the president's goal of returning the country to some normalcy by July Fourth. The campaign will air across cable and broadcast stations nationwide and include targeted

multimillion-dollar ad buys for Black and Spanish-language media.

https://www.washingtonpost.com/health/2021/04/01/biden-pro-vaccine-tv-ads/?mkt_tok=ODUwLVRBQS01MTEAAAF8LGouga0P_jnhP06dNfzIDPHBHyrq7sG8L9yAPNV9d3IFal-xqsYDDMrpDFRITxlEC9IWJsuCpiu-1uTcr8W1HdPgi52YxC8H1auQ-UwvX-a1

- [Pfizer/BioNTech announced today](#) that their vaccine is 100 percent effective at preventing Covid infection in children between 12 and 15 — suggesting at least one vaccine could be available for middle and high school students before the next school year begins. The companies also launched a global study last week to test the vaccine in children 6 months to 11 years. Still, it will likely be at least a year before the vaccine is available for all children.
- The government made \$6.2 billion in overpayments across two unemployment insurance programs during the first year of the pandemic, according to a watchdog report released Tuesday. Millions of Americans lost their jobs as the coronavirus slammed the economy in spring 2020, forcing many to rely on jobless benefits and straining state unemployment systems. https://www.washingtonpost.com/business/2021/03/31/unemployment-overpayment-watchdog/?mkt_tok=ODUwLVRBQS01MTEAAAF8LGcCrBIXtqRiYTDTFfigiJfP9I4caLtsKN8zQOiYUI9Rt52OsRnprS1ylfr9K2j3SOu-o_xkPIMH3dq2_5Hx4UHdzoAaZrgbtpSzwHSqef4
- President Biden's \$2 trillion infrastructure plan, "American Rescue Plan" unveiled yesterday represents the most sweeping national investment in decades. It includes \$213 billion allocated for housing, with a focus on low- and middle-income homeowners and prospective homebuyers. Specifically, the plan calls for the construction and rehabilitation of over 500,000 homes in low- and middle-income areas. https://www.housingwire.com/articles/what-bidens-infrastructure-plan-does-for-housing/?mkt_tok=ODUwLVRBQS01MTEAAAF8LGcCoSMelqVxOR6W1ZzYsx0IdVOhXoVVCSCSeFzM_nvAvb56yg_rONQPdqK_Ru0RVyT-FQIFBzoEinELqpan3bNfK0OU3fim51JluMwpdse
- The S&P 500 crossed the 4,000 mark on Thursday, a little over a year after the index hit its pandemic low. The milestone represents a near doubling of the index since the start of the coronavirus pandemic in March of last year, when the index hit a low of 2,192. https://www.axios.com/sp500-milestone-57c77140-7f39-45b0-9e86-68fbca5fdfff.html?stream=future&utm_source=alert&utm_medium=email&utm_campaign=alerts_business

FROM NEW YORK

- Governor Cuomo reported that COVID hospitalizations in the state dropped to 4,651. Of the 220,369 tests reported yesterday, 8,382, or 3.80%, were positive. The 7-day average positivity rate was 3.47%. There were 899 patients in ICU yesterday, down four from the previous day, and of them, 533 were intubated. 62 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>
- 30.4 percent of New Yorkers had completed at least one vaccine dose. To date, New York had administered 9,421,951 total doses, with 17.9% of New Yorkers having completed their vaccine series. See data by region and county on the State's Vaccine Tracker: ny.gov/vaccinetracker.
- New York State's coronavirus case rate is among the highest in the nation, [according to U.S. Centers for Disease Control and Prevention](#), eclipsed only by a handful of other states such as Michigan and New Jersey. Long Island has one of the highest infection rates statewide. A seven-day average shows the state has had 245 cases per 100,000 outside of New York City, which has had 342 per 100,000. The rate in Michigan is 379 per 100,000 and 352 per 100,000 in New Jersey, CDC data show. The average nationwide is 132 per 100,000. The seven-day average as of Tuesday is 4.38%, second only to the mid-Hudson region, which has 4.75%, the release said. The lowest rate is the Southern Tier, with 0.76%. New York City has 4.26%.

- New data shows that certain variants of COVID-19 are on the rise in New York City's coronavirus cases. According to the Health Department, during the week of March 15-21 [variants represent over 70% of COVID-19 cases sequenced](#). The increase suggests that they are more infectious than previously circulating variants.
- With the start of the state's new fiscal year today, Governor Cuomo and the State Legislature have failed to pass an on-time budget. [Here is where things stand](#) on the key issues as negotiations continue. There wasn't much certainty about when a deal might be struck. They will now focus on getting something on the books before an unpassed budget can cause significant real-world effects, which could start happening early next week since most state employees are due to receive paychecks April 8.
- "Multiple scandals swirling around the Cuomo administration, an impeachment investigation and calls for the governor to resign [are not hampering budget talks](#), Gov. Cuomo's top financial adviser said Wednesday. 'The budget negotiations have been seamless, just like any other year,' Robert Mujica said during a pre-taped interview on NY1. 'We've been meeting with the legislature all day, all night. The governor has been having calls with the leaders regularly.'"
- Last year, New York borrowed \$4.5 billion in order to keep the government funded after the deadline for federal and state tax payments were pushed to July due to the pandemic. On Wednesday, New York officials said the short-term debt taken on because of the COVID-19 pandemic [has been paid off](#), with a \$3.5 billion payment approved.
- A few things [are legal in New York state](#) this morning that weren't at this time yesterday: If you're over 21, you can now possess up to three ounces of marijuana. Governor Cuomo [signed legislation](#) to legalize pot in New York, it will take at least a year, and maybe more, for legal sales at regulated dispensaries to get up and running. But some parts of the law took effect immediately.

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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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