

Tuesday, April 13, 2021  
To: New York Community Banks

## FROM ICBA

### **ICBA comments on computer security incident notification requirement**

ICBA submitted a comment letter in response to a notice of proposed rulemaking requiring banks to notify their primary federal regulator within 36 hours of a computer-security incident. The proposal would also require a bank service provider to notify at least two individuals at an affected bank immediately after experiencing a computer-security incident that could disrupt, degrade, or impair services for four or more hours.

**ICBA Position:** Community banks are already required to report incidents where customer data is accessed or there is an impact to systems that hold customer data under the Gramm-Leach-Bliley Act. ICBA opposes the proposed incident notification rule because it is duplicative, and will be burdensome and difficult to implement.

**Recommendations:** In the event that the proposal is finalized, ICBA made a number of recommendations including, requesting a safe harbor for banks who may have erred in their initial incident evaluation, and developing procedures for how the agencies will address an “incident notification” and detail how the process will improve a bank’s incident response capability. [Read the comment letter.](#)

### **ICBA urges confirmation of Dilawar Syed as SBA deputy administrator**

ICBA urged the Senate Committee on Small Business & Entrepreneurship to expedite the confirmation hearing of Dilawar Syed to serve as Deputy Administrator of the Small Business Administration. In a [letter of support](#), ICBA noted Syed’s business and administration experience, and civic engagement in support of small businesses and economic growth in California.

### **Powell talks economy, digital currencies**

Federal Reserve Chairman Jerome Powell said the economy is at an “inflection point” and could experience rapid growth upwards of 6 percent or 7 percent this year in [an interview on CBS’ 60 Minutes](#). Powell also said that a rate increase this year is “highly unlikely” and noted the Fed’s involvement in a research and development project to study digital dollars to gain an “understanding [of] the technology and the possibilities so that you can really address the policy issues.”

**More:** Powell also said that the central bank is investigating whether losses borne by large banks related to the meltdown of over-leveraged investment fund Archegos Capital were the result of a risk management failure.

**Related:** ICBA’s recent blog post offers a [primer on central bank digital currencies](#), as part of a new series on digital dollars. The blog also distinguishes CBDC from other types of digital assets, including stablecoins and other cryptocurrencies.

### **Federal Reserve accepting applicants for Community Advisory Council**

The Federal Reserve Board announced that it is accepting applications for membership on the Community Advisory Council. The CAC was formed in 2015 and advises the board on issues affecting consumers and communities and complements two of its other advisory councils—the Federal Advisory Council and the Community Depository Institutions Advisory Council. [Learn more and apply.](#)

### **Biden to nominate national cyber director and CISA director**

President Joe Biden announced his intent to nominate Chris Inglis as National Cyber Director and Jen Easterly as the Director of the Cybersecurity and Infrastructure Agency. “If confirmed, Chris and Jen will

add deep expertise, experience and leadership to our world-class cyber team,” National Security Adviser Jake Sullivan said in a [statement](#).

### **MBA: mortgage forbearance declines**

The total number of loans now in forbearance fell for the sixth straight week, according to the [Mortgage Bankers Association](#). "The accelerating economic recovery in March helped more homeowners recover and become current on their mortgages, in addition to helping other homeowners with more stable financial situations exit forbearance, according to MBA's Chief Economist Mike Fratantoni.

### **FROM OTHER SOURCES**

- There's some good news in the national fight against the COVID pandemic and the effort to get shots in arms. Americans are getting vaccinated at a steady clip of millions of people a day, and so-called breakthrough infections are rare. More than 72 million Americans have been fully vaccinated against COVID-19 and 120 million have received at least one shot as of Monday, officials said at a White House COVID-19 briefing. "We're administering shots at a record pace and are adding millions more each week," said White House COVID-19 adviser Andy Slavitt. [Read more.](#)
- The FDA, out of "an abundance of caution," recommended on Tuesday an [immediate pause](#) of the use of Johnson & Johnson's COVID-19 vaccine, citing six cases of a rare blood clot disorder. Health officials will review safety data and determine next steps as early as Wednesday. The FDA and CDC noted: "Right now, these adverse events appear to be extremely rare. COVID-19 vaccine safety is a top priority for the federal government, and we take all reports of health problems following COVID-19 vaccination very seriously." The Biden administration says it has secured enough Moderna and Pfizer vaccines to continue administering 3 million vaccine doses a day even without the Johnson & Johnson shot. [https://www.axios.com/johnson-vaccine-rollout-biden-e2b8344f-0c43-432f-9886-6172312e321f.html?stream=top&utm\\_source=alert&utm\\_medium=email&utm\\_campaign=alerts\\_a](https://www.axios.com/johnson-vaccine-rollout-biden-e2b8344f-0c43-432f-9886-6172312e321f.html?stream=top&utm_source=alert&utm_medium=email&utm_campaign=alerts_a)  
[ll](#)
- The U.S. budget deficit reached a record \$1.7 trillion in the six months since October, amid the government releasing large amounts of cash into the economy to help buoy workers and businesses to offset some of the negative effects of the coronavirus pandemic. The country spent twice as much money as it took in, spending \$3.4 trillion this fiscal year and collecting \$1.7 trillion in tax revenue. ([The New York Times](#)). The U.S. spent \$927 billion in March alone — more than double the level from March 2020, primarily due to the disbursement of \$1,400 stimulus payments -- as tax revenues stayed largely flat. The resulting deficit is the third largest ever in American history, behind only April and June of last year.
- U.S. consumer prices likely picked up sharply in March as the economic recovery gained momentum, partly reflecting higher gasoline prices, according to economists surveyed by The Wall Street Journal. They expect the Labor Department to report today that the consumer-price index -- which measures what consumers pay for everyday items including groceries, clothing, recreational activities and vehicles -- jumped 2.5% in the year ended March, and rose a seasonally adjusted 0.5% in March from February. [https://www.wsj.com/articles/us-inflation-consumer-price-index-march-2021-11618273541?mkt\\_tok=ODUwLVRBQSO1MTEAAAF8ah9qEdxpg0NJapIH7Izr5c7HnHFo3Vj-jW5SVGyqaIxc6KIMeS4-r\\_1ylafKfBQXgtJak0AdyVxU\\_wat32eQcKeX7WikvOE0DNSF1xOmQQ](https://www.wsj.com/articles/us-inflation-consumer-price-index-march-2021-11618273541?mkt_tok=ODUwLVRBQSO1MTEAAAF8ah9qEdxpg0NJapIH7Izr5c7HnHFo3Vj-jW5SVGyqaIxc6KIMeS4-r_1ylafKfBQXgtJak0AdyVxU_wat32eQcKeX7WikvOE0DNSF1xOmQQ)
- The accelerating economic recovery is likely to boost bank profits. Encouraged by government efforts to pump money into the economy and signs that Americans are spending more, the largest financial institutions are expected to release some of the rainy-day money they set aside after the coronavirus pandemic hit. JPMorgan Chase & Co., Wells Fargo & Co., Goldman Sachs Group Inc., Bank of America Corp., Citigroup Inc. and Morgan Stanley will disclose financial

results this week and analysts forecast all will post first-quarter profits that are far above year-earlier levels. [https://www.wsj.com/articles/banks-after-bracing-for-disaster-are-now-ready-for-a-boom-11618306200?mkt\\_tok=ODUwLVRBQS01MTEAAAF8ah9qEeeUMoKjnfqke1bq6MyGdyANB06mh5r3eYTEfZlummycdjAMvHfMJInza6ARNM0sQGz9Yhk8VnlM565QodUydqwkLfu91yijzhS8Bs315](https://www.wsj.com/articles/banks-after-bracing-for-disaster-are-now-ready-for-a-boom-11618306200?mkt_tok=ODUwLVRBQS01MTEAAAF8ah9qEeeUMoKjnfqke1bq6MyGdyANB06mh5r3eYTEfZlummycdjAMvHfMJInza6ARNM0sQGz9Yhk8VnlM565QodUydqwkLfu91yijzhS8Bs315)

- The 25 biggest U.S. banks collectively reduced their loan holdings by 8% in the year through March, according to the Federal Reserve's latest weekly survey. Total loans fell by \$447 billion to \$5.45 trillion, Fed data show. Some highlights of all U.S. banks' holdings: The share of "safe assets" (virtually risk-free investments such as cash, Treasuries and securities effectively guaranteed by the U.S. government) slipped to 35.6% in the week that ended March 31, from 36.0% the previous week; Total assets were down slightly to \$20.91 trillion from \$21.04 trillion; Loans across the U.S. banking industry comprise less than half of their total assets, continuing a post-pandemic trend. [https://www.bloomberg.com/news/articles/2021-04-12/big-u-s-banks-cut-loans-to-record-low-again-as-deposits-jump?mkt\\_tok=ODUwLVRBQS01MTEAAAF8ah9qERqxpWUIbgohlkJ6LNUpeZEKZn77S7Xk1ZBAymwJVj3us02T-StKYCDUfN8yh9mmT31FoZEPF\\_4ikSoIgM\\_n5fQnMcBJ8m1AH8OBLlkB](https://www.bloomberg.com/news/articles/2021-04-12/big-u-s-banks-cut-loans-to-record-low-again-as-deposits-jump?mkt_tok=ODUwLVRBQS01MTEAAAF8ah9qERqxpWUIbgohlkJ6LNUpeZEKZn77S7Xk1ZBAymwJVj3us02T-StKYCDUfN8yh9mmT31FoZEPF_4ikSoIgM_n5fQnMcBJ8m1AH8OBLlkB)
- Corporate America has waded further into a growing number of "hot-button" policies. Since the start of the year, U.S. corporations have halted donations to Republican lawmakers who opposed certification of the presidential election, expressed their desire for infrastructure investment while opposing the Biden administration's plan for corporate tax hikes to pay for it, and spoken out against controversial state voting laws proposed by Republicans. [https://www.washingtonpost.com/business/2021/04/12/corporate-tax-voting-rights-business/?mkt\\_tok=ODUwLVRBQS01MTEAAAF8ah9p\\_YIoj999dl4OajGiHX003oBTWWweUIIkB015q0Ck\\_bqRFZyNQMoWvMTVw40E\\_08tzX7xWSfjQWVvK\\_DLnL24CPnBKbxnkBhA\\_cx6RFeV](https://www.washingtonpost.com/business/2021/04/12/corporate-tax-voting-rights-business/?mkt_tok=ODUwLVRBQS01MTEAAAF8ah9p_YIoj999dl4OajGiHX003oBTWWweUIIkB015q0Ck_bqRFZyNQMoWvMTVw40E_08tzX7xWSfjQWVvK_DLnL24CPnBKbxnkBhA_cx6RFeV)
- A group of 310 companies -- including Microsoft Corp., Google, Apple Inc., Johnson & Johnson and Verizon Communications Inc. -- published a letter urging the Biden administration to pledge to reduce greenhouse gas emissions in the United States by at least 50% from 2005 levels by 2030. The letter marks yet another unusual move for corporations, which have typically been more involved in policy behind the scenes as opposed to publicly. [Axios](#)

#### FROM NEW YORK

- COVID hospitalizations rose slightly to 4,118. Of the 131,436 tests reported, 4,926, or 3.75%, were positive. The 7-day average positivity rate was 3.20%. There were 860 patients in ICU yesterday, down 17 from the previous day. Of them, 571 were intubated. 58 New Yorkers lost their lives to the virus. <https://governor.ny.gov>. New York has administered 12,033,813 total doses. 37.9% of New Yorkers had completed at least one vaccine dose, and 24.9% had completed their vaccine series. See data by region and county on the State's Vaccine Tracker: [ny.gov/vaccinetracker](https://ny.gov/vaccinetracker).
- With the \$212 billion state budget officially in the books, Gov. Andrew Cuomo said in a conference call with reporters today that he wants to focus on two intertwined priorities: jobs and vaccinations, [State of Politics reports](#).
- The Governor is earmarking [COVID-19 vaccines for college students](#). Meanwhile, the state is loosening guidelines on letting [50,000 New York City students](#) reenter schools and [quarantine requirements](#) for international travelers. Some 51,000 New York City public school students [will be heading back to class](#) on April 26 in what will be, [by one education reporter's count](#), the eighth and in all likelihood final "first day of school" in this topsy-turvy pandemic academic year. . .but the large majority of students — 650,000 out of about a million in the system — will continue to take classes completely online through the rest of the school year.

- State Comptroller DiNapoli noted: "The State Legislature and the Governor agreed on a new state budget as the state is struggling to recover from the economic devastation caused by COVID-19. More than a year into the pandemic, the number of cases remains high in New York but the accelerated pace of vaccinations and job growth in many sectors indicate an improving economic outlook. We are not out of the woods, and we must remain cautious as there is still uncertainty about the epidemic and the trajectory and equity of the recovery." **Read more:** [State Comptroller Thomas P. DiNapoli Statement on New State Budget](#)
- The just-passed \$212 billion state budget is the largest in New York history. Depending on who you ask, the spending plan is either "a mid-2020s fiscal disaster in the making," or it's "a couple steps toward liberation." [Read More](#)
- The state budget is done, but the 2021 legislative session is hardly over. The remaining nine weeks could even be more contentious. Governor Cuomo faces multiple investigations related to alleged sexual misconduct, his handling of COVID-19 in nursing homes and a litany of other scandals. Whether or not he is impeached, relations between the Governor and the Democratic legislative supermajorities will remain strained. On issues such as single-payer health care, parole reform and the progressives' proposal to tax fossil fuel polluters to fund the state response to climate change, Democratic lawmakers must bridge significant differences on to get things done in the coming months. [Read more here.](#)
- Recreational marijuana has now been legal in New York for about two weeks. While there are portions of the Marijuana Regulation and Taxation Act (MRTA) that became legal right away, there are certain parts of the law that New Yorkers will have to wait for. [Read More](#)
- Most upstate CEOs say there are plenty of jobs, but just [not enough workers](#) to fill them.

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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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