

Tuesday, April 20, 2021

To: New York Community Banks

FROM ICBA

House passes cannabis banking safe harbor

The House voted [321-101](#) to pass ICBA-advocated legislation to establish a safe harbor for financial institutions that serve cannabis-related businesses in states where cannabis is legal.

The Vote: The bipartisan vote sends the Secure and Fair Enforcement (SAFE) Banking Act (H.R. 1996) to the Senate. Similar legislation passed the House in 2019 but did not advance in the Senate.

Background: The conflict between state and federal law has created legal uncertainty for banks and forced cannabis-related businesses to operate mostly in cash, presenting a public safety risk.

The Bill: Introduced by House Subcommittee on Consumer Protection and Financial Institutions Chairman Ed Perlmutter (D-Colo.), the SAFE Banking Act would apply to states that have legalized cannabis for medical or recreational use. In these states, federal regulators would not be permitted to take prejudicial action against banks solely for serving a cannabis-related business.

ICBA Position: As the first national banking trade group to support the SAFE Banking Act and to testify before Congress on its behalf, ICBA [applauded](#) the House vote and urged Senate passage.

[READ ICBA RELEASE](#)

Lawmakers seek SBA feedback on PPP backlog

A group of House Republicans asked the SBA for information on its backlog of Paycheck Protection Program loan-forgiveness applications.

Background: In a [joint letter](#), the lawmakers noted that while the SBA is required to issue decisions on applications within 90 days, the agency frequently misses the deadline.

Request: The House members requested information on the backlog, including the number of applications past the 90-day deadline and the average number of days the SBA takes to respond to applications.

ICBA Position: Following the passage of ICBA-advocated stimulus provisions simplifying PPP loan forgiveness at the end of 2020, ICBA has continued working with policymakers to address the backlog and streamline the program.

Funding: Meanwhile, this week's [SBA report](#) on PPP data shows more than \$240 billion of the \$292 billion appropriated for the current round has been approved for lending, with the program scheduled to expire May 31.

ICBA: Climate risk study should preserve housing stability

Fannie Mae, Freddie Mac, and the Federal Home Loan Banks should take steps to better understand and mitigate climate-related risks in their portfolios without disrupting the housing finance system, ICBA told the Federal Housing Finance Agency.

Stability: Responding to an FHFA request for information, [ICBA recommended](#) data-backed analysis of potential climate risks that preserve the system's stability and liquidity. Any potential policy changes should follow a cautious and transparent process, ICBA said.

Capital: ICBA also said any potential climate risks underscore the need to resolve Treasury's ownership of the enterprises and expedite their recapitalization, with robust capital serving as the best way to mitigate risks.

ICBA backs de novo relief bill

ICBA [expressed support](#) for new legislation [introduced](#) by Rep. Andy Barr (R-Ky.) to ease regulations that hinder de novo bank formation.

Details: The Promoting Access to Capital in Underbanked Communities Act would:

- Direct regulators to phase in de novo bank capital standards.
- Allow de novos to request FDIC permission to deviate from approved business plans.
- Phase in the Community Bank Leverage Ratio.
- Remove limitations on agricultural lending.

CFPB clarifies tenant rights under eviction moratorium

The Consumer Financial Protection Bureau [issued](#) an interim final rule requiring debt collectors to provide written notice to tenants of their rights under the Centers for Disease Control and Prevention eviction moratorium. The rule also prohibits debt collectors from misrepresenting tenants' eligibility for eviction protections under the moratorium.

Manchin to address ICBA Capital Summit

Sen. Joe Manchin (D-W.Va.) will join the speaker lineup for the 2021 virtual [ICBA Capital Summit](#), set to livestream April 27. Senate Banking Committee Chairman Sherrod Brown (D-Ohio) and other policymakers also will provide remarks as community bankers conduct three days of virtual Capitol Hill visits with congressional offices on top advocacy priorities. [Learn more and register.](#)

SBA issues details on restaurant fund

The SBA [released](#) details for the Restaurant Revitalization Fund, under which the SBA will administer \$28.6 billion in funds directly to hard-hit small restaurants. The agency said it will launch a pilot period for the application portal ahead of the public launch.

Vaccine rollout supporting economic rebound: video

The faster-than-expected vaccine rollout bodes well for the economic outlook, according to the latest Market Watch Weekly News video from ICBA Securities and Vining Sparks. With the economy reopening, businesses report challenges filling job openings. [View the video.](#)

FROM OTHER SOURCES

- The federal government is preparing to open two new industry-specific small-business relief programs, one of them months in the works, as its signature pandemic aid effort, the Paycheck Protection Program (PPP), nears its end. The Small Business Administration said it hopes to start taking applications by the end of this week for a \$16 billion grant fund for live-event businesses like theaters and music clubs. https://www.nytimes.com/2021/04/19/business/us-readies-small-business-grants-as-ppp-nears-end.html?mkt_tok=ODUwLVRBQS01MTEAAAF8jjVAd97AzW1pleUFs8jduhhoHTrop1Sfcez_jfV4p6FMbP6VaRRTRO9bHyA-LuPri5etxahwQy-jR4EDvI7_DIML_u1ng6KsNP6hSCXETeEn
- An online application portal meant to help the nation's music and arts venues get federal pandemic relief after a year-plus of dark stages and a hard-fought lobbying campaign has yet to get off the ground nearly two weeks after technical problems scuttled its scheduled launch. The SBA said the delayed rollout could be resolved later this week. https://www.washingtonpost.com/business/2021/04/19/sba-shuttered-venues-grant/?mkt_tok=ODUwLVRBQS01MTEAAAF8jjVAdqoZAioSgdOPY_zTjCvLHY25QtfDLAbAf8PMLyrn02BnZQu4av5J_uettpYd4zsv5z4OmCMG1S29_cNUR158IEJXASDBs-uyoyy2u4s
- The SBA's \$28.6 billion Restaurant Revitalization Fund -- the latest round of COVID relief passed under the American Rescue Plan -- [will allow establishments to apply for up to \\$10 million in cash per business](#), including up to \$5 million per location. "...we're prioritizing funding to the hardest-hit small businesses—irreplaceable gathering places in our neighborhoods and communities that need a lifeline now to get back on their feet," said SBA administrator, Isabella Casillas Guzman. The newly announced guidelines will cover restaurants, food carts and trucks, caterers, bars, bakeries, breweries, and wineries.
- The federal government has reversed course on a SBA rule that disqualified individuals or businesses currently in bankruptcy from getting relief through the Paycheck Protection Program. Under the new interpretation, debtors who filed under Chapter 11, 12 and 13 — which cover businesses, family farms and individual consumers, respectively — are eligible for PPP

loans once a judge has approved their reorganization plan.

https://www.propublica.org/article/ppp-loans-bankruptcy?mkt_tok=ODUwLVRBQS01MTEAAAF8jjVAd5uJaQLdmRxGM2GBhuNFZ7s-QISevef2e89-FtpgCH09vK14iRLg1BF3we6bORqVuFHioi3llwLznjfl708spPeggFeaaPc04u9XKWEQ

- The U.S. is set to release travel warnings intended to curb visits to approximately 80 percent of countries worldwide in the face of "unprecedented risk to travelers" from the COVID-19 pandemic, according to the State Department. Already, 34 countries are on the "Do Not Travel" list, but the new guidance would widen that to include about another 130 countries.
https://www.reuters.com/business/healthcare-pharmaceuticals/us-put-more-countries-under-covid-do-not-travel-advisory-state-department-2021-04-19/?mkt_tok=ODUwLVRBQS01MTEAAAF8jj11y3MdggO2718Hln24FkTlh9yMjViPxEhc05g7FD7kR5aVPwIbi94xTLLvpIICViKo7-mubZ40W5ZN9q1_cooXNSQ1Cexq6solhZr2C72K
- White House officials are reportedly nearing a final plan on childcare, paid family leave and other domestic priorities that could total at least \$1 trillion in new spending and tax credits. The "American Families Plan" is expected to be revealed before his April 28 address to a joint session of Congress. Details about this second piece of the administration's "Build Back Better" agenda are fluid, but it reportedly could amount to at least \$1 trillion in new spending and tax credits on top of the \$2 trillion jobs and infrastructure plan now being negotiated. ([The Washington Post](#))
- The "SALT Cap Revolt" being led by New York Congressional Democrats Is "Snarling" the Biden administration's spending plan. https://www.bloomberg.com/news/articles/2021-04-20/salt-cap-revolt-led-by-n-y-democrats-snarls-biden-spending-plan?mkt_tok=ODUwLVRBQS01MTEAAAF8jjVAd0wL6Njtz_qopx-B_p9k8jV71pSflnY9zoxB09k3pD1sA_apn1QOy8OcbcN10NhPg6f9WjoFVRhvLbKKEu9mBFySPtiU2grm6OQGbP5f

FROM NEW YORK

- Governor Cuomo reported that COVID hospitalizations rose to 3,783. Of the 147,583 tests reported yesterday, 4,339, or 2.94%, were positive. The 7-day average positivity rate was 2.85%. There were 836 patients in ICU yesterday, down 13 from the previous day. Of them, 521 were intubated. 44 New Yorkers lost their lives to the virus. For more numbers, [click here](#). To date, New York has administered 13,428,920 total doses of vaccine. 28.4% percent of New Yorkers have completed their vaccine series, while 41.7% have completed at least one vaccine dose. See data by region and county on the State's Vaccine Tracker: ny.gov/vaccinetracker.
- [COVID-19 rates are dropping](#) in New York City, but less so in places like [Western New York](#).
- In a sign that vaccination efforts are having the intended effect, New York City's COVID positivity rate [dipped below 5 percent for the first time since November](#), Mayor de Blasio said Monday. The Mayor said as of last Friday, the 7-day average positivity rate stood at 4.91%.
- Albany County is [looking to shift its vaccination strategy](#) as it faces the dual challenge of falling demand and rising COVID-19 infections, hospitalizations and deaths. The County Health Commissioner said the county is looking at allowing more walk-ins to its vaccination clinics to reduce barriers and encourage turnout.
- [Onondaga County is going to slightly scale back](#) COVID-19 testing as the pace of vaccinations picks up.
- Governor Cuomo announced he is [loosening public health restrictions](#) on theaters, arenas and zoos while continuing to [bar reporters](#) asking him questions in person. He also [signed a budget bill into law](#) that implements a tax cut for middle income people.
- New York State Attorney General Letitia James has opened an investigation into Gov. Andrew Cuomo's use of state resources in relation to his recent book chronicling the state's battle against coronavirus, for which the governor received a seven-figure advance, [The New York Times reports](#).

- As Cuomo faces investigations on several fronts, four law firms have confirmed they're doing legal work for him or his office, but nearly two months in, details about the legal arrangements remain murky, [the Times Union reports](#).
- Cuomo today declined to reveal how much money he earned from his book on the COVID-19 pandemic, saying it will be reflected in his income tax filing, [State of Politics reports](#).
- Despite some tough numbers in the latest Siena College poll, things are actually going pretty well for the Governor considering the scandals he faces. [Read more here](#). [Read More](#)
- The NYS Assembly on Monday approved a bill that would require businesses to have safety protocols in place to prevent the spread of COVID-19. [Read More](#)
- Governor Cuomo remains undecided about holding this year's state fair. [Last year's was canceled](#).

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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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