

Wednesday, April 28, 2021
To: New York Community Banks

FROM ICBA

Capital Summit continues with social media push

Following remarks from top lawmakers, ICBA today is encouraging community bankers to continue [weighing in with policymakers](#) as part of this week's 2021 ICBA Capital Summit.

Grassroots: While Capital Summit participants meet with congressional offices this week, ICBA today is encouraging community bankers nationwide to engage their elected officials on social media. ICBA's [Be Heard grassroots action center](#) features auto-populated tweets to help community bankers target their lawmakers.

Event: During Tuesday's [Capital Summit](#) programming, participants heard from Senate Banking Committee Chairman Sherrod Brown (D-Ohio), Senate Energy and Natural Resources Committee Chairman Joe Manchin (D-W.Va.), and ICBA President and CEO Rebeca Romero Rainey.

Brown: In remarks to attendees, Brown committed to continuing to work with community bankers on closing the industrial loan company loophole and challenging the OCC's special-purpose fintech charter.

Manchin: During a Q&A with Romero Rainey, Manchin (pictured) cited the importance of community banks to small businesses in West Virginia and encouraged community bankers to continue to be involved in Washington policymaking.

More: Meanwhile, community bankers can continue the conversation on social media via the [#CapitalSummit](#) hashtag and by [tweeting](#) their members of Congress.

[TWEET CONGRESS](#)

SBA plans restaurant fund launch

The SBA [released](#) its plans for launching the Restaurant Revitalization Fund, under which the agency will administer \$28.6 billion in funds directly to hard-hit small restaurants. The SBA said it will begin registrations this Friday, April 30, and open online applications on Monday, May 3.

CFPB delays new QM rule

The Consumer Financial Protection Bureau issued a final rule [formally delaying](#) the mandatory compliance date of its recently modified general Qualified Mortgage final rule from July 1, 2021, to Oct. 1, 2022.

Background: The QM rule replaces the 43 percent debt-to-income limit with an approach based on loan pricing. Under the CFPB's newly announced delay, lenders will have the option of using the new rule or the DTI-based QM rule.

GSE Patch: The "GSE patch," which exempts Fannie Mae and Freddie Mac mortgage loans from parts of the QM rule, will also remain in effect until the new compliance date unless the GSEs exit conservatorship before then. However, the bureau said the GSEs may be limited by recent revisions to their Preferred Stock Purchase Agreements.

ICBA Position: In a [comment letter](#), ICBA expressed support for the proposed delay and encouraged the bureau to reconsider using loan pricing to determine borrowers' ability to repay. ICBA is also urging the FHFA and Treasury to delay and remove product and program restrictions included in the PSPA amendments, including the reference to the new QM final rule.

Credit union groups mixed on CRA-lite

Recently [reintroduced](#) Senate legislation to codify community outreach policies for community credit unions is getting a mixed reception from credit union industry groups.

The Bill: The American Housing and Economic Mobility Act would require institutions seeking a community credit union designation to submit business plans to the National Credit Union Administration. It would also retain the credit union industry's exemption from Community Reinvestment Act oversight.

Industry Response: The Credit Union National Association [endorsed](#) the bill—noting previous versions would have applied CRA to credit unions. The National Association of Federally-Insured Credit Unions [opposes](#) the bill, citing increased regulatory burdens.

ICBA Position: ICBA supports increased regulatory parity between community banks and credit unions—including applying CRA to the tax-exempt entities.

More: ICBA this week issued a [customizable op-ed](#) that community bankers can use to raise awareness of credit union acquisitions of community banks. It follows a similar [American Banker op-ed](#) by ICBA President and CEO Rebeca Romero Rainey.

CFPB reports on fair lending enforcement

The Consumer Financial Protection Bureau issued its fair lending annual [report to Congress](#) describing its fair lending enforcement priorities and statistics.

Priorities: In an introductory memo, CFPB Acting Director Dave Uejio said his top priorities are addressing racial injustice and the COVID-19 impact on consumers, including through robust enforcement of fair lending laws.

Consumer confidence, home prices remain strong

- **Consumer Confidence:** The Conference Board's Consumer Confidence Index [increased](#) 12.7 points in April to 121.7, its highest point since February 2020.
- **Home Prices:** The Case-Shiller index [reported](#) a 12.0 percent annual gain in February, up from 11.2 percent the previous month.
- **House Prices:** The Federal Housing Finance Agency's House Price Index [increased](#) 0.9 percent in February from the previous month and 12.2 percent from last year.

FROM OTHER SOURCES

Extension of Previous Guidance on Acceptable Signatures for Applications and Loan Documents in the 7(a) and 504 Business Loan Programs

The purpose of this SBA [Procedural Notice 5000-808946](#) is to further extend the guidance set forth in SBA Procedural Notice 5000-20089, “Extension of Previous Guidance on Acceptable Signatures for Applications and Loan Documents in the 7(a) and 504 Business Loan Programs Through April 30, 2021”, effective January 28, 2021.

The guidance in SBA [Procedural Notice 5000- 20089](#) is scheduled to expire on April 30, 2021, **and SBA is extending it through July 31, 2021**, due to the continued uncertainty of the ongoing Coronavirus Disease 2019 (COVID- 19) pandemic.

Both notices are linked and attached for your reference.

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SBA Administrator Guzman Announces Application Opening for \$28.6 Billion Restaurant Revitalization Fund

Fund prioritizes direct relief to women, veterans, and socially and economically disadvantaged individuals, and includes \$9.5 billion in set-asides for smaller businesses

WASHINGTON - SBA Administrator [Isabella Casillas Guzman](#) today announced the U.S. Small Business Administration will begin registrations on Friday, April 30, 2021, at 9 a.m. EDT and open applications on Monday, May 3, 2021, at noon EDT for the Restaurant Revitalization Fund. The online application will remain open to any eligible establishment until all funds are exhausted.

“Restaurants are the core of our neighborhoods and propel economic activity on main streets across the nation. They are among the businesses that have been hardest hit and need support to survive this pandemic. We want restaurants to know that help is here,” said Administrator Guzman. “The SBA has focused on the marketplace realities of our food and beverage businesses in designing the Restaurant Revitalization Fund to meet businesses where they are. And we are committed to equity to ensure our smaller and underserved businesses, which have suffered the most, can access this critical relief, recover, and grow more resilient.”

Established under the [American Rescue Plan](#), and signed into law by President Joe Biden on March 11, 2021, the Restaurant Revitalization Fund provides a total of \$28.6 billion in direct relief funds to restaurants and other hard-hit food establishments that have experienced economic distress and significant operational losses due to the COVID-19 pandemic. This program will provide restaurants with funding equal to their pandemic-related revenue loss up to \$10 million per business and no more than \$5 million per physical location. Funds must be used for allowable expenses by March 11, 2023.

“Recognizing the great urgency to help restaurants keep their doors open – and with a clear mandate from Congress – the SBA worked at a breakneck speed and is excited to launch this program,” said Patrick Kelley, SBA Associate Administrator, Office of Capital Access. “From day one, we engaged with diverse stakeholders in the food industry community to make sure we built and delivered the program equitably, quickly, and efficiently.”

In preparation, the SBA recommends qualifying applicants familiarize themselves with the application process in advance to ensure a smooth and efficient application experience, specifically by:

- Registering for an account in advance at restaurants.sba.gov starting Friday, April 30, 2021, at 9 a.m. EDT.
- Reviewing the official guidance, including program guide, frequently asked questions, and application sample.
- Preparing the required documentation.
- Working with a point-of-sale vendor or visiting restaurants.sba.gov to submit an application when the application portal opens. [Note: If an applicant is working with a point-of-sale vendor, they do not need to register beforehand on the site.]
- Attending a live recorded virtual training webinar.
 - **Tuesday, April 27 | 2:30 p.m. EDT | [Register here](#)**
 - **Wednesday, April 28 | 1 p.m. EDT | [Register here](#)**
 - **Wednesday, April 28 | 2:30 p.m. EDT | [Register here](#)**

For the first 21 days that the program is open, the SBA will prioritize funding applications from businesses owned and controlled by women, veterans, and socially and economically disadvantaged individuals. All eligible applicants are encouraged to submit applications as soon as the portal opens. Following the 21 days, all eligible applications will be funded on a first-come, first-served basis.

Consistent with the legislation and the intent of Congress, the SBA continues to take steps to ensure the equitable distribution of relief, particularly for the smallest businesses, by creating a \$9.5 billion set-aside: \$5 billion for applicants with 2019 gross receipts of not more than \$500,000; \$4 billion is set aside for applicants with 2019 gross receipts from \$500,001 to \$1,500,000; and \$500 million for applicants with 2019 gross receipts not more than \$50,000.

For more information, visit [sba.gov/restaurants](https://www.sba.gov/restaurants) or in Spanish at [sba.gov/restaurantes](https://www.sba.gov/restaurantes).

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About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start and grow their businesses. It delivers services to people through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.

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- Fully vaccinated people no longer need to wear masks indoors or outdoors when in small groups with other fully vaccinated friends and family, and in some circumstances can go maskless with unvaccinated people, the Centers for Disease Control and Prevention said today, [Politico reports](#).
 - When COVID-19 hit the United States, Americans moved much of their lives online, including, in some cases, their finances. As the prevalence of financial technology rose during the pandemic, so too did the volume of consumers complaining about it. [Read more](#).
 - JPMorgan Chase & Co. Chief Executive Jamie Dimon said in an internal memo that bankers should begin making arrangements to be back in the office on a rotational basis by early July. Dimon said that U.S. offices will be open beginning May 17, and that vaccines are not mandatory but that the bank strongly recommends that employees get one. ([Financial Times](#))
 - The White House revealed a \$1.8 trillion spending package focused on education and safety-net programs for families, including two years of free community college, prekindergarten for children ages 3 and 4 and paid family and medical leave for all American workers. The plan would also devote hundreds of billions of dollars to combating child poverty and providing affordable child care. ([The Washington Post](#))
 - The Biden administration released [this fact sheet](#) to give an overview of the \$1.8 trillion American Family Plan. It came off embargo at 5 a.m. The White House is framing these two massive packages -- the American Jobs Plan and American Family Plan -- as “once-in-a-generation investments in our nation’s future,” with the cost being shouldered in by wealthy Americans who have done spectacularly well during the last 20 years.
 - To pay for part of the spending package, the White House said it would use tax hikes on the wealthiest Americans, including raising the top personal income tax rate to 39.6% for the top 1% of earners and increasing the capital gains rate to 39.6% from 20% for those earning \$1 million or more. The plan also calls for eliminating the carried interest tax break used by private equity and hedge fund managers, in addition to increased tax audits on high earners. ([Bloomberg](#))
 - The Federal Reserve is likely to hold interest rates steady after the central bank's policy-setting committee concludes its two-day meeting today. Officials will likely begin planning out when they expect to scale down the Fed's bond purchases. ([The Wall Street Journal](#))

FROM NEW YORK

- New York will adopt the new CDC mask guidance for fully vaccinated people. Fully vaccinated individuals can conduct outdoor activities or gather without wearing a mask outdoors except in certain crowded settings and venues. [Read the full CDC guidance](#).
- Governor Cuomo reported that COVID hospitalizations rose slightly to 3,184. Of the 103,675 tests reported yesterday, 2,704, or 2.61%, were positive. The 7-day average positivity rate was

2.06%. There were 728 patients in ICU yesterday, down one from the previous day. Of them, 461 were intubated. 26 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. New York had administered 14,702,998 total doses, with 31.9% of New Yorkers having completed their vaccine series and 44.6% of New Yorkers having completed at least one vaccine dose. See data by region and county on the State's Vaccine Tracker: ny.gov/vaccinetracker.

- The State Senate’s Democratic Majority Conference announced it will move Wednesday to suspend several executive orders from Governor Cuomo, including a rule requiring restaurants to serve food to any patrons ordering alcoholic beverages, [the Times Union reports](#). [Read More](#)
- In addition to rescinding the [Cuomo Chips rule](#), the Senate will also vote to relax some compliance rules for vaccine suppliers due to a stronger supply. They plan to make disclosure and transparency requirements for individuals who had taken on portions of government operations in a “volunteer” capacity during the early days of the pandemic. (See: [Larry Schwartz, et al.](#))
- The state’s mass-vaccination sites will allow all New Yorkers 16 and older to walk in without an appointment to receive a coronavirus vaccination, Cuomo said today at an event at Binghamton University, [the Times Union reports](#). . . . [Read more](#).
- Policymakers across New York are trying to make it easier for people to get vaccinated and end the COVID-19 pandemic. Those changes have included opening up vaccinations to people age 16 and older [without an appointment necessary](#). In Erie County, officials are considering other incentives, like getting a beer to go along with your shot. [Read more](#).
- [“New York City Covid-19 Cases Finally Recede After Long Plateau,”](#) . . . Covid-19 cases and hospitalizations are dropping sharply across New York City’s five boroughs, easing concern about a new local variant as vaccinations expand. The seven-day average of confirmed and probable cases in the most populous U.S. city has dropped by 34% in the past week and 56% in the past month to 1,745, data show.”
- Less than 5% of New York City residents have missed getting their second coronavirus vaccine dose, the city’s health commissioner said today, compared to around 8 percent of vaccine recipients nationally, [the New York Post reports](#).
- [The state rolled out a digital pass](#) last month that allows New Yorkers to share their COVID-19 vaccine or negative test status when they head to places like theaters and stadiums — but some are worried this information could get into the wrong hands.
- Local public health officials in New York have a lesson for schools as they begin a reopening process following a year of pandemic-induced uncertainty: COVID-19 remains a risk, and do not let your guard down. [Read more](#).
- New York's economy has struggled during the pandemic, but it could be primed for a boom this summer. [Read more](#).
- The right-leaning Empire Center for Public Policy and the left-leaning Fiscal Policy Institute are on opposite ends of the political spectrum, as well as on different sides of the tax debate. But there is one issue they both agree on: If New York state gets tax policy wrong, there will be a further exodus of taxpayers. [Read More](#)
- Governor Cuomo announced that New York is looking at its legal options after it was announced Monday that the state will be losing one congressional seat following the 2020 Census, saying the slim margin by which the state is expected to lose that seat could be the result of a mistake by the federal government, New York Now reports. [Read more](#).

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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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