

Thursday, April 29, 2021
To: New York Community Banks

FROM ICBA

ICBA posts Capital Summit interview with Sen. Manchin

ICBA posted the full video of ICBA President and CEO Rebeca Romero Rainey's [ICBA Capital Summit interview](#) with Senate Energy and Natural Resources Committee Chairman Joe Manchin (D-W.Va.).

Interview: During the interview, Manchin discussed the importance of community banks to small businesses and consumers, including his own family. Ahead of advocacy meetings with congressional offices, Manchin encouraged community bankers to remain deeply involved in Washington policymaking.

Grassroots: While Capital Summit participants meet with congressional offices, ICBA continues encouraging community bankers to engage their elected officials on social media with auto-populated tweets via ICBA's [Be Heard grassroots action center](#).

More: In addition to [tweeting](#) members of Congress, community bankers can continue the conversation on social media via the [#CapitalSummit](#) hashtag.

[VIEW THE VIDEO](#)

ICBA opposes efforts to repeal 'true lender' rule

ICBA told Congress it opposes legislative efforts to repeal the OCC's "true lender" rule using the Congressional Review Act.

Statement: In a [statement](#) for a Senate Banking Committee [hearing](#) on the "Reemergence of Rent-A-Banks," ICBA said the OCC rule brings clarity and accountability to lending and promotes wider access to credit through bank partnerships with third parties.

Rule: The OCC rule creates a clear standard to determine when a bank is the "true lender" when partnering with a third party. Under the rule, banks are deemed true lenders if they fund the loan or are named as the lender in the loan agreement on the origination date. ICBA expressed support for the rule in a [comment letter](#) last year.

Congress: House and Senate lawmakers have introduced resolutions to repeal the rule under the Congressional Review Act, which allows lawmakers to invalidate federal rules. While proponents argue the rule undercuts state consumer protection laws, ICBA said it creates consumer compliance accountability while providing regulatory certainty.

Outlook: While Congressional Review Act resolutions are not subject to the filibuster and therefore may pass the Senate with a simple majority, support for the measure among moderate Democrats and President Joe Biden is uncertain.

IRS issues another 2M EIPs

The [IRS said](#) it is disbursing another 2 million Economic Impact Payments in the seventh batch under the American Rescue Plan.

New Batch: The latest batch—which has a total value of more than \$4.3 billion—began processing April 23 with an official payment date of April 28. It included roughly 1.1 million direct deposits and about 850,000 paper checks.

Total: The new batch brings the current round of EIPs to approximately 163 million payments worth roughly \$384 billion. The IRS said it will continue making EIPs on a weekly basis.

Resources: More EIP information is available in FAQs from the [IRS](#) and [ICBA](#) and in the federal [Get My Payment portal](#).

Biden plan includes new reporting requirements

President Joe Biden's \$1.8 trillion American Families Plan would require financial institutions to report information on account flows, according to statements from the [White House](#) and [Treasury Department](#).

The Plan: The proposal to increase federal education, child-care, and tax benefits for families would be funded by higher taxes on high-income earners and stricter IRS tax enforcement, supported by additional financial institution reporting on investments and business activity.

Reporting: Treasury said the plan would require financial institutions to add information about aggregate account outflows and inflows to existing reporting. This would help the IRS target its enforcement activity on the most suspect tax evaders, it said.

Fed holds interest rates near zero

The Federal Open Market Committee [voted](#) to hold benchmark interest rates at zero to 0.25 percent but said economic and employment indicators have strengthened. The Fed again said it expects to maintain this target range and its securities purchases until there has been substantial further progress toward its maximum employment and price stability goals.

ICBA's Fisher, Wilcox talk relationship banking

ICBA Chairman Robert Fisher and Immediate Past Chairman Noah Wilcox discuss relationship banking in a Main Street Banking podcast from the Barret School of Banking. In the second installment of the conversation, Fisher and Wilcox discuss how relationship banking is unique. [Listen to the podcast.](#)

Blog: Attracting Gen Z with financial literacy

Community banks can take the lead in serving Generation Z by providing accessible and engaging financial literacy tools for these digital natives, ICBA's Charles Potts writes in [Main Street Matters](#).

Details: Potts writes that while Gen Z has been financially hardest hit by the pandemic, most have never taken a financial education class, providing an opening for community banks to offer innovative financial literacy tools.

More: A recent [Main Street Matters post](#) from community banker Emily Mays explores the benefits of encouraging financial responsibility while becoming a recognizable brand to younger demographics.

FROM OTHER SOURCES

- President Joe Biden laid out an ambitious agenda to rewrite the American social compact by vastly expanding family leave, childcare, health care, preschool and college education for millions of people to be financed with increased taxes on the wealthiest earners, [The New York Times reports.](#)
- Federal Reserve Chairman Powell said that the uptick in vaccine access and "strong policy support" is helping the economy recover, and although inflation is rising in some areas, it isn't enough to reverberate throughout the entire economy. Powell said the Fed will consider cutting economic support when it sees "more data" showing that the economy has healed, emphasizing that it's "not more complicated than that." [The Washington Post](#)
- The stock market is set to close out President Biden's first 100 days in office on today with its best start to a presidential term since the days of Franklin D. Roosevelt. The S&P 500 has risen 10% since Mr. Biden's Jan. 20 inauguration. The index is on course for its strongest performance since the start of Mr. Roosevelt's first term in 1933, when it surged 80% after a spectacular crash in the Great Depression, according to a Dow Jones Market Data analysis. https://www.wsj.com/articles/stocks-are-off-to-best-start-to-a-presidential-term-since-great-depression-11619688780?mkt_tok=ODUwLVRBQS01MTEAAAF8vHevhCO-twXEZnxwydPkLZPQCEy_XBxB6RM1mB1VFVWR4JEtV6lyC6fkShV2XX6XVSCsrmsfBvOQRDL5bgXGfqTAgq0K3xTl4UfVn6Nc76
- President Biden's decision, in a raft of individual tax proposals released Wednesday, to leave in place a cap on state and local tax (SALT) deductions could complicate congressional negotiations over his sweeping new social-spending program. The omission disappoints a group of Democratic lawmakers pushing to remove the \$10,000 cap on SALT deductions that went to help pay for a slice of President Donald Trump's 2017 tax cuts. https://www.bloomberg.com/news/articles/2021-04-28/biden-disappoints-salt-democrats-setting-up-headache-for-pelosi?mkt_tok=ODUwLVRBQS01MTEAAAF8vHevhRzOkKzh9J3bOzdo1wvQeM0-MKcOyGnBBnogWw0BJfNYNytYtCGX2JuNt7pMtBTNX3tSsWt8ZPGMog9dA6Gmj3DmchjXuS7bgC5yEASb

- America's economic growth rate accelerated to 6.4% in the first quarter of 2021, the Bureau of Economic Analysis [announced](#) Thursday, picking up from 4.3% in the final quarter of 2020. New filings for unemployment benefits [came in](#) at a post-pandemic low of 553,000 — the second week in a row of new lows on that front. IN nominal dollars, the growth rate was 10.7%, but the Bureau of Economic Analysis subtracted 4.3 points to account for the effects of inflation. Personal income soared by 59% to \$2.4 trillion, thanks to the most recent round of stimulus. Declining COVID cases, rising vaccination rates, trillions of dollars in government spending and an [accommodative Federal Reserve](#) are coming together to create a year of U.S. economic growth for the record books.
- The U.S. recovery probably found its rhythm in the first three months of 2021, according to early forecasts of data to be released by the Bureau of Economic Analysis this morning. It appears likely that all coronavirus-era losses will be recovered by the middle of this year. https://www.washingtonpost.com/business/2021/04/29/first-quarter-gdp-growth/?mkt_tok=ODUwLVRBQS01MTEAAAF8vHevhbOI1mS6jzabanmRkEt38s0d8bsmA0w pVbiW16Orqq8sfmKM5s7EvheIzDMNn1uV0p3m-FQbCHBOg9r63JybDGK6lrlFhA4mhRumeawxq
- As the coronavirus pandemic recedes and government relief kicks in, fresh evidence of the economy's revival is expected Thursday morning when the government releases its estimate of first-quarter growth. Experts are looking for a pickup in activity after the economy's tepid performance in the fourth quarter, when an increase in coronavirus cases and tightened restrictions hampered business and consumer spending. https://www.nytimes.com/2021/04/29/business/economy/united-states-gdp.html?mkt_tok=ODUwLVRBQS01MTEAAAF8vHevhgQu4VG2s7UPsSSStM9VQChaGJhA6 FYKRitk11-gkcwTtuW6skgs8FPoKqGQgwO7IaFOe5o8VqNxnrfQxCBBAfTVGHGJDnZi7ZCtUzD_4
- The U.S. economy appears to have expanded rapidly in the first quarter, extending what economists project will be a robust, consumer-led recovery from the pandemic this year. Fueled by a flood of federal cash to households and rising vaccinations, the nation's gross domestic product likely grew at a 6.5% seasonally adjusted, annual rate in the first three months of 2021, according to economists surveyed by The Wall Street Journal. https://www.wsj.com/articles/us-gdp-economic-growth-first-quarter-2021-11619658605?mkt_tok=ODUwLVRBQS01MTEAAAF8vHevhfUOXTsHWrkIJmeQMoQtrTWd pJszJ9YiPoXXjw2r2vtd-5f0WeUDA39mm2cxzbzcbj9DXX3GZK4kx-p5f6bYFeYEzNLYMOyWVM4ugMwt
- New applications for unemployment benefits are projected to show a further easing to the lowest level since the Covid-19 pandemic took hold in the U.S. more than a year ago. A decline would be consistent with other signs that the labor market is rebounding this spring. https://www.wsj.com/articles/weekly-jobless-claims-coronavirus-04-29-2021-11619647721?mkt_tok=ODUwLVRBQS01MTEAAAF8vHevhjMSGeyG1IVGh16qaOatFjIguA_OxlpXQLbopkEE0xymcPrwqF9pXneUWgTgomBJAyAutikF6whTkUuah8qR5wPN589ah3Wq zxXbxWTh

FROM NEW YORK

- Governor Cuomo announced that pandemic-era curfews placed on restaurants and catered events will be lifted in mid-May, with the current midnight closing time for outdoor dining areas expiring on May 17 and the indoor dining curfew ending on May 31, [the Daily News reports](#).
- Albany legislators are expected to vote Monday to extend the state's eviction moratorium until Aug. 31 for residential and commercial tenants experiencing financial hardships due to the COVID-19 pandemic, [Gothamist reports](#).
- Tenants and landlords ravaged by COVID know help is on the way. The question is when, and all eyes are on the Office of Temporary and Disability Assistance (OTDA). [Read More](#)
- [A report released by state Comptroller Tom DiNapoli's office](#) found the New York City tourism industry has been in a steep decline since the pandemic hit.

- Mayor Bill de Blasio announced today New York City plans to "fully reopen" on July 1, with no restrictions on restaurants, retail, or any other business. The Mayor cautioned that he wants people to remain "smart" about public health but said "we now have the confidence that we can pull all of these pieces together and get life back, really, in many ways, to where it was. . .State government and federal government always have a say, but as mayor of New York City, we're ready to come back and come back strong. We're focused on the data and the science. That's how we've made every decision, that's what's worked. And the data and the science are saying, out loud, it's time to come back." https://www.axios.com/new-york-city-reopen-july-5fac65e5-31d8-4ed6-a77d-6ee27a849594.html?stream=top&utm_source=alert&utm_medium=email&utm_campaign=alerts_all
- The effort by [Gov. Andrew M. Cuomo's office to obscure the pandemic death toll in New York nursing homes](#) was reportedly far greater than previously known, with aides repeatedly overruling state health officials over a span of at least five months, according to interviews and newly unearthed documents. <https://www.nytimes.com/2021/04/28/nyregion/cuomo-aides-nursing-home-deaths.html?referringSource=articleShare>
- The Democrat-led state Legislature voted Wednesday to remove Governor Cuomo's pandemic-era rule requiring that food be purchased with all booze sales at bars and restaurants. The concurrent resolution passed both chambers unanimously with bipartisan support — the state Senate approving the measure 61-0, followed by the state Assembly's 149-0 approval." <https://nypost.com/2021/04/28/albany-puts-end-to-cuomo-chips-as-it-repeals-gov-order-of-food-with-booze-sales/>

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IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

- **John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)**