

Tuesday, April 6, 2021

To: New York Community Banks

**IBANYS' MID YEAR MEETING - "ALL BANKS ON DECK" - IS APRIL 19-20 VIA ZOOM. .**  
.Each day will begin at 8:45 a.m. and adjourn at 3:00 p.m. This format provides IBANYS an alternative way to provide community bankers with important and timely educational programs. We have assembled an outstanding group of speakers to share their expertise on timely and important topics. More good news: It's a single registration fee for the bank, but all employees can then participate. . .and, earn up to 11 continuing professional education (CPE) credits. [Here is the brochure with agenda details and registration information.](#)

**The 2021 virtual [ICBA Capital Summit](#) is set to livestream April 27** with remarks from Senate Banking Committee Chairman Sherrod Brown (D-Ohio). IBANYS will be coordinating **virtual Capitol Hill visits with members of Congress and staff on critical community banking advocacy priorities.** With a seven new New York Representatives, and with six New Yorkers serving on the critical House Financial Services Committee, NOW is the time to tell our story, discuss our performance during the pandemic and explain our needs and priorities. Here is **ICBA's 2021 community banking agenda** (provided in an [open letter to Congress](#)) -- it urges a pragmatic agenda of regulatory relief and a more competitive landscape to promote a dynamic economy. **Watch your email for details on IBANYS' scheduling of virtual/conference call meetings with New York congressional offices, and how you can participate. . .** and, [visit the 2021 ICBA Capital Summit information portal.](#)

## FROM ICBA

### **Independent Banker interviews new ICBA leaders**

The April issue of [Independent Banker](#) magazine profiles ICBA's 2021-2022 executive committee. (*NOTE: IBANYS' and New York's own Bob Fisher, Tioga State Bank President & CEO, is Chairman of ICBA.*) The interviews with ICBA leadership bankers cover the pandemic's permanent changes to banking, evolving customer needs and expectations, community bank advocacy priorities, and more. The latest edition of IB also includes articles on the small-business recovery, recreational lending, reaching Hispanic customers, overcoming compliance challenges, and more.

The magazine is available on the [Independent Banker website](#) and via the [digital edition](#).

[READ MORE](#)

### **Senate Republicans urge CBLR relief extension**

Senate Banking Committee Republicans led by Sen. Mike Crapo (R-Idaho) [called on](#) federal regulators to use their authority to extend the 8 percent Community Bank Leverage Ratio through Dec. 31.

**Background:** As required by the CARES Act, the agencies lowered the CBLR to 8 percent for 2020, exempting more community banks from risk-based capital requirements. Under an interim final rule, the CBLR will transition to 8.5 percent in 2021 and to 9 percent in 2022.

**Joint Letter:** As ICBA has told [Congress](#) and the [agencies](#), the senators said community bank Paycheck Protection Program lending and Economic Impact Payment deposits have dramatically affected their capital levels and leverage ratios, justifying an extension of CBLR relief.

### **CFPB proposes servicing changes to prevent foreclosures**

The Consumer Financial Protection Bureau proposed a set of rules changes to prevent foreclosures as emergency protections expire.

**The Proposal:** The [proposed rule](#)—which exempts small servicers—would prohibit servicers from starting foreclosure until after Dec. 31, allow servicers to offer streamlined loan modification options to certain borrowers, and change certain required servicer communications to borrowers.

**Background:** The proposal follows last week's CFPB [compliance bulletin](#) warning servicers to take all necessary steps to prevent a wave of foreclosures when emergency mortgage protections expire this summer and fall.

**Next:** ICBA is reviewing the proposal and will submit comments by the May 11 deadline.

### **ICBA backs proposed QM delay**

ICBA expressed support for a Consumer Financial Protection Bureau proposal to delay the mandatory compliance date of its 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 proposal](#), the DTI-based QM would remain in effect.

**GSE Patch:** The "GSE patch," which exempts Fannie Mae and Freddie Mac mortgage loans from parts of the QM rule, would remain in effect until the new compliance date unless the GSEs exit conservatorship before then.

**ICBA Position:** In its [comment letter](#), ICBA expressed support for the proposed delay and encouraged the bureau to use the time to reconsider using loan pricing to determine the borrower's ability to repay a loan, which favors the largest mortgage lenders.

### **IRS: EIPs deducted from Recovery Rebate Credit**

The [IRS said](#) it is mailing letters to some taxpayers who claimed the 2020 Recovery Rebate Credit and may be getting a different amount than they expected. The IRS noted that the first and second Economic Impact Payments were advance payments of the 2020 credit. For taxpayers eligible to receive the 2020 RRC, it will be reduced by EIP amounts already issued to them.

### **USDA opens assistance programs**

The USDA Farm Service Agency [announced](#) the availability of \$2 million to establish partnerships with organizations to provide outreach and technical assistance to socially disadvantaged farmers and ranchers. The agency also reopened its Coronavirus Food Assistance Program 2 signup for at least 60 days.

### **FROM OTHER SOURCES**

- Because of the coronavirus pandemic-fueled mortgage boom, states will get nearly \$700 million in federal grants from a special program for low-income housing -- more than double the amount distributed last year. HUD says it should produce a tangible leap forward in government low-income housing plans across the country. HUD's Housing Trust Fund will disburse the money to state governments for the construction, maintenance and restoration of low-income housing. The grant increase is independent of [President Joe Biden's massive COVID-19 relief package](#) and [infrastructure proposal](#). [https://apnews.com/article/joe-biden-coronavirus-pandemic-31891c6e10f254fbbd5bb7772b13ce0e?mkt\\_tok=ODUwLVRBQS01MTEAAAF8RgVx7sPHE40OTcsTiePsPnIp8-QW0ejxT3LcmVGTE3SyYciAf1F95pgGDWziEfDIzGJqmSyA0q18V8C-6DYKrmCC9SucOsfwpG1FRbFPL96x](https://apnews.com/article/joe-biden-coronavirus-pandemic-31891c6e10f254fbbd5bb7772b13ce0e?mkt_tok=ODUwLVRBQS01MTEAAAF8RgVx7sPHE40OTcsTiePsPnIp8-QW0ejxT3LcmVGTE3SyYciAf1F95pgGDWziEfDIzGJqmSyA0q18V8C-6DYKrmCC9SucOsfwpG1FRbFPL96x)
- President Biden named Gayle Smith, former administrator for the U.S.A.I.D, to take a new State Department role leading his administration's vaccine diplomacy efforts to get wealthy nations to distribute shots to poorer ones. Smith is CEO of the international nonprofit ONE Campaign, helped lead the Obama administration's anti-Ebola efforts in 2014. [The New York Times](#)
- The Consumer Financial Protection Bureau has proposed a new rule that would bar foreclosure proceedings until after Dec. 31 for mortgages on homes used as primary residences, with the aim of giving borrowers that have used forbearance relief during the pandemic more time to consider their options. The agency also released a proposal that would enable servicers to offer loan

modification to borrowers facing pandemic-related hardship without going through the usual process to alter a mortgage. [The New York Times](#)

- Treasury Secretary Yellen called for speeding up the distribution of coronavirus vaccines in poorer nations, arguing the United States and global economies are threatened by the impact of covid-19 on the developing world. [https://www.washingtonpost.com/us-policy/2021/04/05/yellen-global-economy-vaccine/?mkt\\_tok=ODUwLVRBQS01MTEAAAF8RgVx8clGqOnDWMDn5JRQweDfWIDp6ASPUJdScg4DY9SE0ILFX0WGOXjwrB9oKVvS\\_XjOyRWFdaXLqRz5Gmsel7VWSX4DZF\\_iDb1yjROo8Uu4q](https://www.washingtonpost.com/us-policy/2021/04/05/yellen-global-economy-vaccine/?mkt_tok=ODUwLVRBQS01MTEAAAF8RgVx8clGqOnDWMDn5JRQweDfWIDp6ASPUJdScg4DY9SE0ILFX0WGOXjwrB9oKVvS_XjOyRWFdaXLqRz5Gmsel7VWSX4DZF_iDb1yjROo8Uu4q)
- Senate Parliamentarian MacDonough ruled Democrats could use the reconciliation process again by modifying the budget blueprint that the party adopted earlier this year in passing President Biden's stimulus package. It opens the door for passing the Biden infrastructure plan without Republican support. A spokesperson for Senate majority leader Schumer said no decision has been made on how to advance the Biden agenda. [Bloomberg](#). However, Senator Manchin (D-W.Va.) said he would vote against the proposal to raise the corporate tax rate to 28% from 21%, preferring a 25% rate, and Senator Warner (D-Va.) also expressed nonspecific concerns about the package. [Politico](#); [The Washington Post](#)
- Big business has become one of the most powerful forces in the country to advance social equity issues. Business is aligned with Republicans on taxes and regulations, with Democrats on social issues that its customers and employees care about. [https://www.nytimes.com/2021/04/06/business/dealbook/business-politics.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF8RgVx8U17vqdDXtD7IBFnDPvf8DX603JZbjYmcq0iPBrbpVx8LYcPvc4FL70oTaOMfwJ52Wn63HN9mwr19WwXH0oy9K2oUfMu41HEacDdgFB](https://www.nytimes.com/2021/04/06/business/dealbook/business-politics.html?mkt_tok=ODUwLVRBQS01MTEAAAF8RgVx8U17vqdDXtD7IBFnDPvf8DX603JZbjYmcq0iPBrbpVx8LYcPvc4FL70oTaOMfwJ52Wn63HN9mwr19WwXH0oy9K2oUfMu41HEacDdgFB)

#### FROM NEW YORK

- Governor Cuomo reported COVID hospitalizations rose to 4,434. Of the 150,225 tests reported, 6,583, or 4.38%, were positive. The 7-day average positivity rate was 3.57%. There were 906 patients in ICU yesterday, up 24 from the previous day. Of them, 577 were intubated. 57 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. New York had administered 10,480,155 total doses: 20.7% of New Yorkers had completed their vaccine series, while 33.3% had completed at least one vaccine dose. See data by region and county on the State's Vaccine Tracker: [ny.gov/vaccinetracker](https://ny.gov/vaccinetracker).
- All New Yorkers age 16 and older [can now get a Covid-19 vaccine](#). Embracing eligibility for all marks a major step in New York's fight against the pandemic, even as coronavirus infections remain high. One in three New Yorkers statewide have received at least one dose of a vaccine, for a total of 10,480,155 million jabs. The [state lags](#), however, compared to other states on the share of senior citizens who have been inoculated.
- The "substantial progress on vaccines" has not put much of a dent in New York's infection numbers -- among the highest in the nation. The spread of more infectious variants has essentially canceled out improvements driven by vaccination, leaving plenty of people still at risk. Yesterday, the statewide infection rate and the number of people hospitalized both ticked up. New York City's positive test rate stands at 6.55 percent, a level that [has stagnated for weeks](#) and there's a [new spike happening in Western New York](#).
- New York's vaccination eligibility is set to expand once again today, drawing in all residents age 16 and older. The development comes as New York has now administered more than 10 million first and second doses of the vaccine statewide. The Pfizer vaccine is approved and safe for people age 16 and up. However, you must be at least 18 to get the Moderna or the Johnson & Johnson vaccine. [Read more](#).
- Still, New York continues to reopen: Last night, an 11 p.m. curfew was lifted for casinos, movie theaters, bowling alleys, billiard halls and gyms, following [the reopening](#) of theaters and music and comedy venues on Friday. (An 11 p.m. curfew for bars and restaurants remains in place.) Coney Island [will get its turn on Friday](#)

- Governor Cuomo and State legislative leaders were near a budget agreement Monday that would make New York City's millionaires pay the highest combined local tax rate in the nation, a stark result of the pandemic's economic fallout. The Governor had long resisted such a move, but coronavirus-related revenue shortfalls - combined with the growing strength of the Legislature's progressive wing and the governor's waning influence - created sudden momentum. Raising taxes on New York's millionaires and companies could send both fleeing the state, business leaders and fiscal experts warn – unless Congress steps in and restores some old deductions, [The City reports](https://www.nytimes.com/2021/04/05/nyregion/taxes-rich-budget-new-york.html?mkt_tok=ODUwLVRBQS01MTEAAAF8RiTl3zPUxm_26RTG4z6GZ4xiCJU3fYP3ot5Se1dhP94podJT4ykrRCAzjr_1F9_4CuVzc2Ie2A3isU24Jw8ix6oRodqpLQjQcStUqOPISn). [https://www.nytimes.com/2021/04/05/nyregion/taxes-rich-budget-new-york.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF8RiTl3zPUxm\\_26RTG4z6GZ4xiCJU3fYP3ot5Se1dhP94podJT4ykrRCAzjr\\_1F9\\_4CuVzc2Ie2A3isU24Jw8ix6oRodqpLQjQcStUqOPISn](https://www.nytimes.com/2021/04/05/nyregion/taxes-rich-budget-new-york.html?mkt_tok=ODUwLVRBQS01MTEAAAF8RiTl3zPUxm_26RTG4z6GZ4xiCJU3fYP3ot5Se1dhP94podJT4ykrRCAzjr_1F9_4CuVzc2Ie2A3isU24Jw8ix6oRodqpLQjQcStUqOPISn)
- [The final pieces of the budget](#). are still under negotiation. Governor Cuomo declared a ‘conceptual agreement’ had been reached with legislative leaders, but a number of fiscal and policy areas are still open and no one could predict when the Legislature will adopt a budget that the Governor will sign. The Governor is reportedly seeking broad — and critics warn possibly unchecked — [authority to spend more than an estimated \\$1.6 billion](#) in federal Covid-19 relief funding as a final budget package is negotiated.
- State lawmakers are nearing agreement on a \$2 billion fund that would provide assistance to jobless workers who were excluded from unemployment benefits during the pandemic, including undocumented immigrants, [Gannett Albany reports](#).
- State Comptroller Thomas DiNapoli said that state workers who rely on hard copies of their paychecks could see a delay in receiving them if a finalized budget deal was not reached yesterday, [State of Politics reports](#).
- Governor Cuomo’s once iron grip on Albany is slipping as he tries to fight off calls for his resignation and contend with multiple investigations. The state budget is five days late and counting and as details of the budget begin to emerge, the expanded influence of legislative leaders and rank-and-file progressives is hard to miss. [https://www.politico.com/states/new-york/albany/story/2021/04/05/cuomos-albany-dominance-takes-backseat-to-political-survival-1371750?mkt\\_tok=ODUwLVRBQS01MTEAAAF8RiTl4EDsaRjtVeEqjSiZXccbwbR-1R78SHAK6CB3AO1fImgn-i4ywspfdShpW-mGWTe7YYF8192ltVHZ3OOL4jLNYLrhLkKkE4HmorInuKV4](https://www.politico.com/states/new-york/albany/story/2021/04/05/cuomos-albany-dominance-takes-backseat-to-political-survival-1371750?mkt_tok=ODUwLVRBQS01MTEAAAF8RiTl4EDsaRjtVeEqjSiZXccbwbR-1R78SHAK6CB3AO1fImgn-i4ywspfdShpW-mGWTe7YYF8192ltVHZ3OOL4jLNYLrhLkKkE4HmorInuKV4)
- According to "Law360" New York State legislators reportedly [are near finalizing a program to disburse more than \\$2 billion in federal rent relief funds](#) with one year of protections against rent hikes and certain evictions as a condition for taking the money. The Covid-19 Emergency Rental Assistance Program will include \$2.35 billion set aside in two federal stimulus bills, signed in December and March. State legislators are also considering including \$100 million in state funds in the program for tenants and landlords who do not meet federal qualifications for relief.” <https://www.law360.com/newyork/articles/1372093/ny-nears-deal-for-over-2b-pandemic-rent-relief-program>

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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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