

Thursday, April 8, 2021

To: New York Community Banks

FROM ICBA

IRS disburses another 25M EIPs

The IRS and Treasury Department said they are disbursing more than 25 million payments in the fourth batch of Economic Impact Payments under the American Rescue Plan.

New Batch: The [latest batch](#)—which has a total value of more than \$36 billion—began processing April 2 with an official payment date of April 7.

Total: The new batch brings the current round of EIPs to roughly \$372 billion. Some 85 percent have been made via direct deposit, up from 74 percent in the first round of payments and 77 percent in the second round. Another 3.1 million Direct Express cardholders have received payment electronically.

Expected Use: Separately, the Federal Reserve Bank of New York issued [survey results](#) that found an average 25 percent of EIPs will be spent on consumption, including 13 percent on essential items and 8 percent on non-essential items.

Resources: The IRS recently issued [updated FAQs](#) on the EIPs. More information is available from [ICBA](#) and the federal [Get My Payment portal](#).

CFPB proposes delaying debt collection rules

The Consumer Financial Protection Bureau [proposed](#) delaying the effective date of two recent debt collection rules to provide more time to comply.

Delay: Issued late last year, the rules are scheduled to take effect on Nov. 30, 2021. The CFPB is proposing to extend the effective date of both rules to Jan. 29, 2022.

Background: The rules implement provisions of the Fair Debt Collection Practices Act restricting certain debt collection practices and requiring detailed disclosures at the outset of collection communications.

ICBA Position: As advocated by ICBA, the CFPB structured the rules to apply only to third-party debt collectors, not community banks and other first-party debt collectors.

Lawmakers seek MDI, CDFI program extension

House Financial Services Committee Chairwoman Maxine Waters (D-Calif.) and Sen. Mark Warner (D-Va.) urged the Treasury Department to extend its program to invest in Minority Depository Institutions and Community Development Financial Institutions.

Background: The [Emergency Capital Investment Program](#) will invest \$9 billion in MDIs and CDFIs to support low- and moderate-income and minority communities, though its application deadline is May 7.

Extension Request: In a [joint letter](#), Waters and Warner urged Treasury to identify additional guidance needed to ensure robust participation, noting that key questions about the program remain unanswered.

FROM OTHER SOURCES

- **SBA to Open Shuttered Venue Operators Grants for Applications on April 8 at 12 p.m. EDT**

Help is here with \$16.2 billion for venues, theatres, and more

WASHINGTON – The [U.S. Small Business Administration](#) will officially open the [Shuttered Venue Operators Grant \(SVOG\) application portal](#) tomorrow, April 8, 2021 at 12 p.m. EDT for operators of live venues, live performing arts organizations, museums and movie theatres, as well as live venue promoters,

theatrical producers and talent representatives to apply for critical economic relief, as those eligible entities are some of the first that had to shutter their doors a year ago in response to the COVID-19 pandemic.

“Concerts, plays, dance performances, movie premieres, museum exhibits – these are the lifeblood of culture and community, and often the anchor for travel, tourism and neighborhood food and retail stores. We know that for the stage and venue operators across the nation that help make this culture happen, the pandemic has been devastating. Too many have been forced to lower the final curtain on their businesses. Today, with more than \$16.2 billion available through the Shuttered Venue Operators Grants, help is here,” said **SBA Administrator Isabella Casillas Guzman**. “The SBA is committed to moving as quickly as possible to deliver this vital funding effectively and equitably - ensuring relief goes to those venue operators whose revenues have been most impacted by the pandemic.”

The SVOG program was appropriated more than \$16.2 billion for grants via the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act and the [American Rescue Plan Act](#). Of these funds, at least than \$2 billion is reserved for eligible SVOG applications with up to 50 full-time employees. Eligible applicants may qualify for grants equal to 45% of their gross earned revenue up to a maximum amount of \$10 million for a single grant.

The SBA is accepting SVOG applications on a first-in, first-out basis and allocating applicants to respective priority periods as it receives applications. The first 14 days of SVOG awards, which are expected to begin in late April, will be dedicated to entities that suffered a 90% or greater revenue loss between April and December 2020 due to the COVID-19 pandemic. The second 14 days (days 15-28) will include entities that suffered a 70% or greater revenue loss between April and December 2020. Following those periods, SVOG awards will include entities that suffered a 25% or greater revenue loss between one quarter of 2019 and the corresponding quarter of 2020.

Prior to the opening tomorrow for SVOG applications, the SBA has hosted a national informational webinar ([archived recording](#)) to highlight the application process for potential eligible entities. The agency also provided recurrent program updates and information via [frequently asked questions](#), additional [video tutorials](#), an [application checklist](#), and [eligibility requirements](#) through SBA’s dedicated SVOG website - www.sba.gov/svogrant - and targeted outreach to potential applicants.

As the SBA built the SVOG program from the ground up, it worked closely with its federal partners, including those dedicated to the affected industries such as the National Endowment for the Arts and Institute of Museum and Library Services, and Congressional authors in analyzing the legislation and Congress’ intent. The agency also consulted industry partners, such as the National Independent Venue Association, National Association of Theatre Owners, National Independent Talent Organization, Performing Arts Alliance, Broadway League, American Alliance of Museums and the Associations of Art Museum Directors, Children’s Museums, Science and Technology Centers, and Zoos & Aquariums. The SBA’s collaboration with these organizations has been vital to SBA’s understanding of and guidance for potential SVOG applicants and the agency looks forward to their continued partnership during the launch of the program.

In addition, SBA’s resource partners, including SCORE Mentors, Small Business Development Centers, Women’s Business Centers and Veterans Business Outreach Centers, are available to provide entities with individual guidance on their applications. Applicants can find a local resource partner via SBA’s website at www.sba.gov/local-assistance or via a zip code at www.sba.gov/localassistance. (Per federal grant program guidelines that the same and equal information needs to be provided to each applicant, SBA’s team members are limited on responses they can provide to individual, specific questions regarding SVOG eligibility, potential grant amount, or other detailed information.)

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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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- **SBA has released Procedural Notice 5000-808582 “Updated Guidance Regarding No Adverse Change Certifications on 7(a) Loans during the COVID-19 Emergency.”**

This notice is applicable to all SBA 7(a) Lenders utilizing the traditional 7(a) loan program (including Community Advantage (CA) Pilot Program loans). On March 26, 2020, SBA issued Procedural Notice 5000-20011, “Guidance Regarding No Adverse Change Certifications on 7(a) Loans during the COVID-19 Emergency.” The purpose of this Notice is to update and extend the previous guidance to 7(a) Lenders during the COVID-19 emergency with respect to the certifications of “no adverse change” required by Loan Program Requirements (as defined in 13 CFR 120.10) in connection with 7(a) loans (including Community Advantage (CA) Pilot Program loans).

Please review the notice for full details.

For an online link [CLICK HERE](#)

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- A highly infectious variant of the coronavirus that was first identified in Britain has become the most common source of new infections in the United States, the director of the Centers for Disease Control and Prevention said on Wednesday. The worrisome development comes as officials and scientists warn of a possible fourth surge of infections.
https://www.nytimes.com/2021/04/07/us/politics/coronavirus-variants-cdc.html?mkt_tok=ODUwLVRBQS01MTEAAAF8UGmpmHDSdvSHoAedw8j6r5yuqXXhGMixWj21LRG9rrbhsREYT-tNU4D_THp_OTNQ9vaJTwnAwjwCRHLti8qHoBgUkLP171SyV5YzBXVBke1d
- **“A moment of peril’: Biden’s coronavirus response collides with case spikes.”** “For the first two months, all the coronavirus numbers broke in the Biden administration’s favor. ... But the Biden White House is seeing new infections climb on its own watch — a potential crisis that could erase many of the hard-won gains of the president’s first 75 days, should the numbers keep rising. Biden is encountering the limits of his own authority. The president can help secure and distribute supplies and medicines, issue guidance and urge caution — but he has few tools when governors decide to lift coronavirus protections at the wrong moment, manufacturers botch vaccine production, or Americans refuse to wear masks or get vaccinated.”
- Daily COVID case counts increased over the past week in 13 states and declined in nine, Axios' Sam Baker and Andrew Witherspoon [report](#). Michigan is a hotspot in this variant-driven new phase.
- Are some COVID-19 vaccines more effective than others? It’s hard to tell since they weren’t directly compared in studies. But experts say the vaccines are alike on what matters most: preventing hospitalizations and deaths....[Read More](#)
- Economic Recovery in the South Lags, While the Northeast Leaps Ahead. Consumer confidence is rebounding, but where you live makes a significant difference, per Morning Consult data from

economist John Leer, who said Lackluster unemployment benefits in the South probably contributed to the lowest levels of sentiment on personal finances among geographic regions. People living in top tourism states saw their finances tumble during the pandemic and have had a harder time recovering. Read more takeaways [here](#).

- Weekly unemployment claims are close to their lowest level since the Covid-19 pandemic hit more than a year ago, adding to evidence that layoffs are easing as an economic revival gathers force. Economists surveyed by The Wall Street Journal expect worker filings for initial jobless claims, a proxy for layoffs, to have fallen to 694,000 last week, from 719,000 the preceding week. https://www.wsj.com/articles/weekly-jobless-claims-coronavirus-04-08-2021-11617834113?mkt_tok=ODUwLVRBQS01MTEAAAF8UGj1ZH-EQ6MZZwj8lvdLvU3N2CwogfWmYqgdg74mQmv5y7b-rhjS6MFKJTNER2nWLVNZZjrGC52RD1jThhZeQmxVwqDeqT2yPk_puXiz52
- The Cuomo administration [began tracking COVID-19 related out-of-facility nursing home resident deaths](#) as early as last April — yet still withheld the data from a state Health Department report released nearly three months later, according to a document obtained by The Post.

FROM NEW YORK

- New York state reported there were 59 COVID-19 deaths yesterday, and the state has administered 10,663,122 total vaccine doses as of yesterday. New York City reported there were 2,991 new cases in the city yesterday. For more numbers, [click here](#).
- New Yorkers experiencing long-haul COVID-19 will now be able to seek help through a coronavirus aftercare program designed to support people with long-term symptoms with ongoing physical needs, food and mental health support, [the Daily News reports](#).
- State lawmakers late Wednesday evening put the final touches on a \$212 billion spending plan that will be New York's primary operating document for the next year, as the Assembly gave the \$212 billion spending plan its final approval about 20 hours after the state Senate signed off. [Read More](#)
- Democrats this year were able to push through major policy items in the budget that in years past, Republicans and even Governor Andrew Cuomo has blocked. [Read More](#)
- The new \$212 billion state budget raises taxes by about \$4 billion, affecting upper income earners as well as corporations based in New York. One tax that was once rejected, however, was a surcharge on second homes in New York. [Read More](#)
- The state budget includes a \$2.4 billion pot of emergency relief for New Yorkers struggling to make rent because of the coronavirus pandemic — but the sizable aid program is [getting mixed reviews from tenant advocates and landlords](#).
- Governor Cuomo used his virtual press conference today ([see highlights here](#)) to present the new state budget as a big victory.
- [Organized labor, left-leaning activists and state lawmakers](#) are also doing their best to present the new budget in the most favorable terms.
- State workers are getting **retroactive raises that had been withheld earlier in pandemic**.

With the final Revenue budget language (S.2509C / A.3009C) now out, IBANYS is reviewing particular points of interest that are included. Please see below.

[Part M](#)

Extends sales tax exemption between financial institutions and their subsidiaries to 2024:

[Part KK](#)

Extends deadline for secure choice savings program until 12/31/21

Part VV

Small business recovery part program

- [Here's a special state budget edition of Winners & Losers.](#)
- Many nonprofits reliant on government funding went into this year expecting bad news in the state budget, but the nonprofit sector's worst fears weren't realized. [Here is a rundown of the most noteworthy nonprofit provisions in the budget.](#)
- New York residents struggling to pay rent during the COVID-19 pandemic will soon have access to up to a year of rent and utility assistance, courtesy of a federally funded program included in the state's new budget. [Gannett Albany reports.](#)
- The Cuomo administration began tracking COVID-19-related out-of-facility nursing home resident deaths as early as last April, yet still withheld the data from a state Health Department report released nearly three months later, [the New York Post reports.](#)
- Assemblyman Zebrowski (D-Rockland) and Senator Thomas (D-L.I.) announced their **legislation to provide stability** in hundreds of billions of dollars of financial contracts **as the London Inter-Bank Offered Rate (LIBOR) is permanently discontinued** at the end of this year **has been signed into law** (A164B/S297B) and will take effect immediately. <https://dingo.telicon.com/NY/library/2021/2021040770.PDF>.
- The \$10,000 cap on state and local tax deductions is once again being targeted by New York officials, and this time they hope they have a friendlier administration in the White House to repeal it. New York lawmakers are applying pressure on President Joe Biden and congressional leaders, looking to eliminate a cap on the federal tax deduction of state and local taxes, known as SALT. Rep. Suozzi (D-L.I./Queens) is pushing for a repeal of that cap to be included in Biden's infrastructure plan. "The bottom line is: No SALT, no deal," he said. [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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