

Monday, April 19, 2021
To: New York Community Banks

FROM ICBA

Grassroots needed ahead of House vote

With the House set to begin debating the Secure and Fair Enforcement (SAFE) Banking Act of 2021 today, ICBA is [calling on community bankers](#) to use its Be Heard grassroots action center to urge their members of Congress to vote yes when it comes to the floor for a vote.

The Bill: H.R. 1996, introduced by Reps. Ed Perlmutter (D-Colo.), Steve Stivers (R-Ohio), Warren Davidson (R-Ohio), and Nydia Velázquez (D-N.Y.), establishes a safe harbor for financial institutions that serve cannabis-related businesses in states where cannabis is legal.

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. Similar legislation passed the House in 2019 but did not advance in the Senate.

[CONTACT CONGRESS](#)

ICBA Announces 2021 policy priorities

ICBA advanced its top legislative and regulatory priorities for 2021. Approved by ICBA's Policy Development Committee and board of directors, ICBA's 2021 priorities include:

- Regulatory reforms that support economic growth, job creation, and access to financial services, such as supporting de novo bank formation, banking services for legal cannabis-related businesses, and Bank Secrecy Act modernization.
- Ensuring community banks—the nation's small business lenders—are not competitively disadvantaged by less regulated or tax-advantaged credit unions, fintechs, industrial loan companies, the Farm Credit System, and more.

"ICBA's policy resolutions will guide us as we continue working to help local communities thrive," said ICBA Chairman Robert Fisher in [a statement](#).

Romero Rainey: credit union tax exemption spreads with bank acquisitions

As policymakers look for new sources of revenue to fund infrastructure spending, their first stop should be reexamining the credit union tax exemption, ICBA President and CEO Rebeca Romero Rainey wrote in a recent [American Banker op-ed](#).

Citing \$11 billion-asset VyStar Credit Union's [announced](#) purchase of a \$1.6 billion-asset community bank, Romero Rainey urged Congress to hold [hearings](#) and [request a GAO study](#) on the evolution of the credit union industry and the National Credit Union Administration supervision.

Study: Pandemic accelerates shifting banking preferences

The pandemic has accelerated the shift in consumer banking preferences along generational lines, according to new [research from BAI](#). According to the report:

- Gen Z: 58 percent prefer to open a deposit account via desktop or mobile app;
- Millennials: 85 percent would bank with a non-traditional bank;
- Gen X: 45 percent prefer banks and credit unions with branches; and
- Boomers: Only 63 percent feel their primary financial services provider will protect them from fraud and identify theft—the lowest among the generations.

Housing starts, building permits jump

Housing starts rose 19.4 percent in March and were up 37.0 percent from a year ago, the Commerce Department [reported](#). Building permits rose 2.7 percent and were up 30.2 percent from a year ago.

Consumer sentiment surges in April

Consumers in early April reported surging economic growth and strong job gains due to record stimulus spending, low interest rates, and the positive impact of vaccinations. Preliminary results from the University of Michigan's consumer sentiment index [increased](#) 1.9 percent in early April from March and was up 20.5 percent from a year ago.

FROM OTHER SOURCES

IBANYS received the following release from Small Business Administration, with the introduction: "SBA has announced the official Restaurant Revitalization Fund Application and Guide for those in one of the hardest hit industries in the nation."

PRESS OFFICE

Contact: PressOffice@sba.gov

Release Number: 21-28

SBA Announces Official Restaurant Revitalization Fund Application and Guidelines

Economic Relief Prioritized for Underserved Communities

WASHINGTON – SBA [Administrator Isabella Casillas Guzman](#) today announced key details on application requirements, eligibility, and a program guide for the Restaurant Revitalization Fund (RRF). The restaurant industry has been among the hardest-hit sectors during the economic downturn caused by the COVID-19 pandemic. To help bring jobs back and revive the industry, the American Rescue Plan, signed into law by President Joe Biden, established the \$28.6 billion Restaurant Revitalization Fund at the U.S. Small Business Administration (SBA). The SBA will administer the funds to the hardest-hit small restaurants.

"Today, we are starting the process to help restaurants and bars across the country devastated by the pandemic, and this is our message: Help is here. With the launch of the Restaurant Revitalization Fund, 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 Guzman. "And, thanks to clear directives from Congress, we're rolling out this program to make sure that these businesses can meet payroll, purchase supplies, and get what they need in place to transition to today's COVID-restricted marketplace."

Administrator Guzman emphasized, "We're also focused on ensuring that the RRF program's application process is streamlined and free of burdensome, bureaucratic hurdles – while still maintaining robust oversight. Under my leadership, the SBA aims to be as entrepreneurial as the entrepreneurs we serve – and that means meeting every small business where they are, and giving them the support they need to recover, rebuild and thrive."

Under this announcement, details on application requirements, eligibility, and a program guide are now available in English at www.sba.gov/restaurants or in Spanish at www.sba.gov/restaurantes.

Ahead of the application launch and over the next two weeks, the SBA will establish a seven-day pilot period for the RRF application portal and conduct extensive outreach and training. The pilot period will be used to address technical issues ahead of the public launch. Participants in this pilot will be randomly selected from existing PPP borrowers in priority groups for RRF and will not receive funds until the application portal is open to the public.

Following the pilot, the application portal will be opened to the public. The official application launch date will be announced at a later date. For the first 21 days that the program is open, the SBA will prioritize reviewing applications from small businesses owned by women, veterans, and socially and economically disadvantaged individuals. Following the 21-day period, all eligible applicants are encouraged to submit applications.

The groundwork for this announcement is the result of a comprehensive effort to reach out to diverse stakeholders in order to understand the needs and barriers restaurants face in accessing emergency relief aid.

“Local restaurants and bars are being served very good news today,” said Erika Polmar, Executive Director of the Independent Restaurant Coalition. “These guidelines were crafted by the SBA after conversations with independent restaurant and bar operators across the country. We are grateful to the SBA for their hard work to make this process as accessible as possible in a short period of time. It is clear the SBA and the Biden Administration care deeply about ensuring businesses struggling the most can quickly and effectively use this relief program, and we look forward to continued conversations and collaboration to ensure this fund works as intended for the independent restaurant and bar community.”

Community business leaders from underserved communities also welcomed RRF assistance as much-needed economic relief and are working with their broad membership bases to navigate the grant application process.

“In addition to historically having less operating liquidity and revenue than almost any other small business demographic, Black-owned restaurants received significantly less stimulus funding during the COVID-19 pandemic, heightening challenges and leading to disproportionate closures,” said Ron Busby, Sr., president and CEO, U.S. Black Chambers, Inc. “The USBC believes this initiative and collaboration with the SBA will bring needed resources and relief to these often, underserved businesses to aid in stabilization, recovery and ultimately, strengthen our economy.”

In addition to restaurant groups and leading advocacy groups for underserved business communities, the SBA has engaged national and state trade associations, and other small business stakeholders in recent weeks to understand their concerns about relief programs.

“Small and independent craft breweries are vibrant community gathering places that can be found in nearly every congressional district in the U.S. and contribute to manufacturing, hospitality, retail, tourism, and agricultural industries,” said Bob Pease, president and CEO, Brewers Association. “We are pleased to work with the SBA to promote the Restaurant Revitalization Fund landing page and its available resources, and assist the breweries hit hardest by COVID-19 secure much needed additional relief to help them survive the pandemic and prepare for the restart of the economy.”

At all levels, the SBA will continue engaging with stakeholder communities to inform and design delivery of financial assistance programs. As the SBA builds and prepares to roll out the program, this dedicated [SBA website](#) is the best source for up-to-date information for eligible restaurants interested in the RRF.

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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.

- Dr. Fauci said the government will likely move to resume use of Johnson & Johnson's COVID-19 vaccine this week after advisers to the CDC meet to discuss the pause in the single-dose vaccine. ([The Associated Press](#)). The CDC reported that over half of America's total adult population

have received at least one dose of a coronavirus vaccine, and adults in every U.S. state became eligible for the shot, meeting President Biden's April 19 target. ([The New York Times](#))

- Rep. Greg Meeks (D-Queens) said he won't back President Joe Biden's infrastructure package unless it includes a repeal of the federal \$10,000 cap on state and local tax deductions approved in 2017 under then-President Donald Trump, [the New York Post reports](#).
- More Democratic senators are concerned about raising the corporate tax rate to 28% from 21% to pay for President Biden's infrastructure plan and a compromise could reportedly result in raising the rate to 25%. That could reportedly raise about \$600 billion over 15 years as part of a way to pay for the proposed \$2.25 trillion infrastructure plan. The plan to raise rates on U.S. multinationals to 21% from 10.5% is apparently less controversial and reportedly has a better chance of passing. ([Axios](#))
- The cost of President Biden's agenda may get "more real" for high-income American families. He is reportedly weighing a new slate of tax hikes aimed at wealthy households to finance the second phase of his multitrillion-dollar infrastructure plans, after having laid out a range of proposed levies last month on corporations to fund his first proposal. https://www.politico.com/news/2021/04/19/biden-tax-hike-rich-482586?mkt_tok=ODUwLVRBQS01MTEAAAF8iP2zj8Dka7zeIMKqQht-6I7dLK22WdcCf7-PB6l3Ksro0O50FCSI8Puywv0PpM0eGXGSv5Cc0Gpc1b-f9yPK0Otht6WbgIdsgwMd0ELquhKM
- The President's tax increase plan would test the question of whether wealthy Democrats won't mind paying more in taxes if they can be convinced that would lead to greater prosperity for everyone. Democrats now represent 65% of taxpayers with a household income of \$500,000 or more, according to pre-pandemic Internal Revenue Service statistics. https://www.bloomberg.com/news/articles/2021-04-19/democrats-tax-hike-bet-relies-on-their-new-500-000-plus-voters?mkt_tok=ODUwLVRBQS01MTEAAAF8iP2zjK8B_zG9SgIGbCTpz7FI7LUs9N3PYnZ6RKPgtPOxH7kbbjEFGn-MbtGAhcjT83ouXQFEW6W-6w9G8Q6BaA8v3HF1KkGpZSdGpxidkqcg
- A senior Republican U.S. senator said he and his colleagues could support an infrastructure bill of around \$800 billion, underscoring GOP interest in a bipartisan fix for the nation's aging roads and patchy broadband service. https://www.wsj.com/articles/top-republican-says-senate-gop-could-be-open-to-smaller-infrastructure-bill-11618772453?mod=hp_lead_pos4&mkt_tok=ODUwLVRBQS01MTEAAAF8iRiOKiNGyfbqcZjAohHdm8HTAizR9YoWS3WmnziJITAFKav7hts3tFszxiDdGwFhm3uAWIGNPk-fz1lwjE2N5qGiaBssPVI4UZmDZRBllfkm
- With the economy set to boom this year and government aid inflating bank accounts, American businesses and consumers are ready to splurge. . . if they can find enough of what they want to buy. https://www.politico.com/news/2021/04/17/supply-chain-disruptions-482569?mkt_tok=ODUwLVRBQS01MTEAAAF8iP2zjPVpPBOAJV61qdHsUYoAu-b2LXFf8hau5rxXMSGVpb4ssjAnyzhls42KOASmKdZsXITcvO6cVVYPZMk8MpMPhnzt-FyN8wmfS4qNJB0
- U.S. employers might have trouble hiring workers fast enough in coming months to keep up with the projected burst of economic growth. Consumer spending at restaurants, hotels and salons is already starting to take off as the grip of the Covid-19 pandemic eases and more people get vaccinated and draw on their stimulus checks and savings. https://www.wsj.com/articles/economic-growth-is-set-to-surge-hiring-might-not-keep-up-11618738202?mkt_tok=ODUwLVRBQS01MTEAAAF8iP2zj_KkvTH7d0_RgCcaD_dyniBB2_X18DVFq1JnKjYtX1FN10Z2uqJDiahyGLyXvjUYAJ3D6XpK-YX3D2XD2NSqAu-zKEfnmPEWLL1RCZa
- Hiring increased in 49 states across the country in March, with large states such as California, Texas and New York adding the most jobs, the Labor Department said Friday. Employers in leisure and hospitality, including at restaurants, hotels and entertainment venues, accelerated hiring across the U.S. <https://www.wsj.com/articles/march-hiring-surge-spanned-the-country->

[11618584819?mkt_tok=ODUwLVRBQS01MTEAAAF8iP2ziZIPD9gmxofjMEGY5IAyQjG9mozPj3oLw3UmqSmFUQS6JVZcGbAQzXBzcEUPSNACsQt_Smf5Ek1ot8yXvq8GXc8DZXhy0XebM5icHUaJ](https://www.bloomberg.com/news/articles/2021-04-16/big-banks-rake-in-record-profits-as-stimulus-props-up-consumers?mkt_tok=ODUwLVRBQS01MTEAAAF8iP2ziZIPD9gmxofjMEGY5IAyQjG9mozPj3oLw3UmqSmFUQS6JVZcGbAQzXBzcEUPSNACsQt_Smf5Ek1ot8yXvq8GXc8DZXhy0XebM5icHUaJ)

- The U.S. government piled trillions of dollars of emergency funds into Americans' accounts during the pandemic, boosting the bottom lines of banks that store their cash. Lending giants reported blockbuster profits this week, in part because stimulus payments have helped consumers bounce back from the Covid-19 crisis and prevented more severe economic damage. https://www.bloomberg.com/news/articles/2021-04-16/big-banks-rake-in-record-profits-as-stimulus-props-up-consumers?mkt_tok=ODUwLVRBQS01MTEAAAF8iP2zjzUyZyTkQeNLrqrLoO_hlKG9qUaPg_mWDdMTQEEvhtpkCIluWY1oosuHJ8WVf4vpGOYnldJjEhuq1afyFys_aFAP7hpR8_VKUj402uUZF
- **50 States, 50 Pandemic Responses: An Analysis Of Jobs Lost And Lives Lost.** A study by Hamilton Place Strategies reports that "the pandemic is not over, but it now feels like the outcome is written. We know a lot more now than we did a year ago-not only about the virus but also how to respond to it." https://hamiltonplacestrategies.com/50-states-50-pandemic-responses-an-analysis-of-jobs-lost-and-lives-lost/?mkt_tok=ODUwLVRBQS01MTEAAAF8iRiO15r6aHENri9Ek-C91n0MKufm3C_huSEeX_k62ThE4h6KKyoADo35HwE37xuCYXzul2OpQesXE7F52k0mPC9gg3L609pZqWlkYK06ojS

... The study found that the state "clobbered hardest" by COVID was New York. The job facing governments was to save lives and save jobs. Very few did well on both measures. New York, almost uniquely, did particularly badly on both, [Axios Capital](#) author Felix Salmon [writes](#).

--The [analysis](#) from Hamilton Place Strategies shows New York lost 55,000 jobs per million inhabitants, second-worst in the country, behind only tourism-dependent Hawaii.

--New York also saw 3,300 extra deaths per million inhabitants, compared to pre-pandemic trends -- about the same as Arizona and Alabama, while the worst outcome was in Mississippi (3,800 excess deaths per million.) Two states — Idaho and Utah — saw net job gains.

- Gary Gensler was sworn in Saturday as Chairman of the Securities and Exchange Commission, where he'll be President Biden's "top cop" on Wall Street. The Senate confirmed him as chair last week for a term that expires this June and is also expected to confirm him this week for a term ending in June 2026.) https://www.bloomberg.com/news/articles/2021-04-17/biden-pick-gary-gensler-is-sworn-in-as-sec-chairman?sref=GogtSAI4&mkt_tok=ODUwLVRBQS01MTEAAAF8iP2zjJ6ghR9kwJh-AgXg8YpYC-sjlBx6h_kZv0S24UTIa3o9eVNmZY3NABHbXxXR2YnLnXYAjNhztIzD_MAXaNOaY8bJKb_KmxJFlcC2YB2D

FROM NEW YORK

Governor Andrew M. Cuomo today announced that the COVID-19 positivity rate dropped to 2.35 percent, the lowest since November 7. The data is summarized: <https://www.governor.ny.gov/news/governor-cuomo-announces-covid-19-positivity-rate-drops-lowest-level-november-7>.

- Test Results Reported - 243,171
- Total Positive - 5,704
- Percent Positive - 2.35%
- 7-Day Average Percent Positive - 2.92%
- Patient Hospitalization - 3,754 (-80)
- Net Change Patient Hospitalization Past Week - -329
- Patients Newly Admitted - 478
- Number ICU - 849 (-17)
- Number ICU with Intubation - 520 (-15)
- Deaths - 35
- Total Deaths - 41,485

- [The state is adding new](#) nursing home rules for COVID vaccinations as workers are declining the shots.
- Mayor de Blasio announced on Saturday that New York City-run sites [will now offer vaccines to anyone 50 years and older without an appointment](#).
- A bill that would require minimum COVID-19 protocols for workplaces in New York is facing mounting opposition from the state's business community. [Read More](#)
- Taxes are due in a month, but what does this mean for New Yorkers who were unemployed last year due to the pandemic? When the federal government passed the American Rescue Plan Act of 2021 in March, Congress included an exemption so at least a portion of unemployment benefits from 2020 will not be federally taxed. [Read More](#)
- The NYS Labor Department says it [accidentally overpaid some people seeking unemployment insurance a year ago](#) — and now those people are being notified they have to pay it back.
- More than half of New York voters view Gov. Andrew Cuomo unfavorably, even as a similar majority do not believe he should resign from the office in the wake of myriad controversies he is facing, according to a new Siena College Research Institute poll. It's the first time the Governor's unfavourability rating has surpassed 50% in Siena's polling; only 40 percent now view him favorably. A year ago, at the height of the pandemic, his favorable numbers were 77-21. [Politico New York reports](#). [Read More](#)
- Governor Cuomo's office is [refusing to make public its correspondence with the U.S. Justice Department](#) related to the administration's handling of nursing homes and other long-term care facilities during the coronavirus pandemic.
- Since the state of virtual meetings in Albany, the real legislative deliberations – those behind closed doors or, since COVID-19, behind videoconferencing security walls – have been ugly and divisive, with most of the rancor occurring in the Assembly Democratic conference, [The Buffalo News reports](#).

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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)**