

Friday, April 16, 2021
To: New York Community Banks

FROM ICBA

ICBA backs bill promoting de novo bank formation

ICBA voiced its support for new legislation by Rep. Andy Barr (R-Ky.) to kickstart the economic recovery in underserved areas by easing regulations that hinder de novo bank formation. The Promoting Access to Capital in Underbanked Communities Act of 2021 directs banking regulators to phase in capital requirements—giving de novo banks up to three years to meet capital requirements—and make other adjustments that would allow underbanked populations to access banking services.

"In a time of growing financial concentration, Rep. Barr's proposal will spur competition for financial services, expand access to credit and financial services for unbanked and underbanked Americans, and support the credit needs and economic vitality of local communities across America," ICBA President and CEO Rebeca Romero Rainey said [in a statement](#).

Background: Only 54 de novos have been chartered since 2010, compared to more than 1,300 between 2000 and the great recession.

FDIC launches campaign promoting financial inclusion

The FDIC launched a [public awareness campaign](#) supporting financial empowerment to educate consumers about the benefits of opening a bank account to gain access to safe, low-cost financial products. The FDIC's [#GetBanked](#) campaign will focus on the Houston and Atlanta areas, where research finds Black and Hispanic households are disproportionately unbanked.

More: The IRS [encouraged](#) unbanked consumers to open an account to receive their Economic Impact Payment and noted [ICBA's website](#), which offers a link to community banks that can open an online account. Community banks can get their bank listed by [completing a form](#).

Background: This week the IRS [disbursed](#) another 2 million EIPs valued at more than \$3.4 billion, for a total of 159 million payments.

Same Day ACH volume increased 88%, passes 1 billion mark

ACH Network volume soared in the first quarter—increasing by 11.2 percent to 7.1 billion payments in compared to the first quarter of 2020 and setting two new records, [Nacha reported](#).

Same Day ACH volume, meanwhile, increased 88 percent in the first quarter with a corresponding value of \$187.6 billion—a 133 percent increase over the first quarter of 2020. The number of Same Day ACH payments also passed the 1 billion mark with total transactions since inception valued at \$1 trillion.

Details: The first record was set in February, when ACH volume averaged more than 118 million payments per day—the ACH Network's highest daily average for a month. The second milestone was in March, when ACH volume hit 2.7 billion payments, the largest monthly volume in ACH Network history. This included approximately 110 million Economic Impact Payments by direct deposit from the federal government.

More: Nacha recently approved an increase of the Same Day ACH [dollar threshold](#) from \$100,000 to \$1 million, effective March 18, 2022.

ICBA National Community Bank Service Awards deadline nears

ICBA is encouraging community banks to share how they support their customers and communities during Community Banking Month in April. ICBA is [accepting nominations](#) and votes for its updated National Community Bank Service Award program with awards this year recognizing exceptional service, emerging service programs, and the people's choice.

Details: The deadline to [submit your bank's nomination](#) is April 30. Banks can complete an online form submission and/or a video submission for the people's choice.

More: ICBA's "[Tell Your Story](#)" marketing and communications toolkit offers a new logo, customizable resources on Community Banking Month and Financial Literacy Month, social media content, and other assets.

Key economic indicators climb

- **Builder Confidence:** [edged up](#) 1 point in April to 83 on rising lumber and supply chain issues.
- **Retail Sales:** [Increased](#) 9.8 percent in March and up 27.7 percent from a year ago.
- **Industrial Production:** [Increased](#) 1.4 percent in March from the previous month.
- **Business Inventories:** [Rose](#) 0.5 percent in February but remained down 0.7 percentage point from a year ago.

FROM OTHER SOURCES

- The coronavirus pandemic in the U.S. has turned into a patchwork of regional hotspots, with some states hammered by a surge of infections and hospitalizations even as others have seen the crisis begin to ease. The [spring wave](#) of the pandemic has driven hospitalizations above 47,000, the highest since March 4; 38 states reported an increase during the past week in the number of people hospitalized with covid-19, according to a Washington Post analysis of data provided by HHS. The national statistics don't capture the intensity of the [coronavirus](#) emergency in the [hotspots](#). Michigan alone reported more than 10,000 new infections on Tuesday, and on Wednesday reported an average of 46 deaths a day, up from 16 a month earlier. https://www.washingtonpost.com/health/covid-cases-rising-hotspots/2021/04/15/d04ffc8c-9cae-11eb-8005-bffc3a39f6d3_story.html?utm_campaign=wp_todays_headlines&utm_medium=email&utm_source=newsletter&wpisrc=nl_headlines&carta-url=https%3A%2F%2Fs2.washingtonpost.com%2Fcar-lnt%2F31e57f6%2F607960479d2fda1dfb513b2c%2F60197967ae7e8a31ba1ab47c%2F11%2F57%2F607960479d2fda1dfb513b2c
- Dr. Fauci told a House hearing he hoped the nation would soon be able to resume use of the Johnson & Johnson vaccine, as a "pause" that now looks indefinite threatened to upend vaccination efforts overseas and in some of the most marginalized communities in the United States. However, it was increasingly clear a suspension that initially was to last two to three days would be considerably longer. Fauci noted with cases rising in the Midwest, the nation is in a "precarious situation" and it is imperative to vaccinate "as many people as quickly and as expeditiously as we possible can." https://www.nytimes.com/2021/04/15/us/politics/johnson-johnson-vaccine-pause.html?mkt_tok=ODUwLVRBQS01MTEAAAF8eazKDrISUFdKq5mrmQgsFHP36wJVx5EvPIvU-pispafjLwiacwt9e5f4yRbFTz3cF7mlqNBQxBHJNP1OeYWjCaColJMALrgdhIFOOKvRjaRe
- Jobless claims fell to the lowest level since March 2020 as the U.S. Labor Department said Americans filed 576,000 initial jobless claims last week, a 193,000 drop from last week's surprise spike, [Taylor Telford reports](#), suggesting that recovery is "trudging onward even as unemployment remains high." Blockbuster jobs and retail numbers, coupled with growing vaccinations, have buoyed hopes for a robust recovery after more than a year of economic reversals: U.S. stocks soared, lifting the Dow and S&P 500 to record heights. https://www.washingtonpost.com/business/2021/04/15/weekly-jobless-claims-unemployment-recovery/?mkt_tok=ODUwLVRBQS01MTEAAAF8eZsR_Dg0NGqOfgy8TY0uTz9SBnIkclAhXkSflzRbCuru-Z-IM4yJecZ7Kwidm3cXnea9YPXkp6GJOMHVUJzek38pASMLu4S8ayCTW7dsjYa
- The U.S. economic recovery is accelerating as stimulus money, Covid-19 vaccinations and business re-openings spur a spring surge in consumer spending, a sharp pullback in layoffs and a bounceback in factory output. The U.S. Commerce Department reported that retail sales -- a measure of purchases at stores, at restaurants and online -- jumped 9.8% in March.

- There are two distinct, and completely opposite, ways of looking at the American job market. Data tables produced every month by the Bureau of Labor Statistics suggest a plentiful supply of would-be workers. The unemployment rate is 6%, 9.7 million Americans say they are actively looking for work. Alternatively, there is a labor shortage: businesses, especially in the restaurant and other service industries, say they face a potentially catastrophic inability to hire. https://www.nytimes.com/2021/04/16/upshot/unemployment-pandemic-worker-shortages.html?mkt_tok=ODUwLVRBQS01MTEAAAF8eZsR-8fzbZljb_OZ_dinXumYHBEJVrgX9rKg2O-zglBw5Q8LnUf2zZFbKqdXtwLPJJzaCPm7A_PqIKeh4C6IMFAgfnlkJuNIGxQgYVK-cD7
- President Biden is reportedly planning executive action that would direct White House climate and economic advisers and the OMB to work with federal agencies -- including banking, housing and agriculture regulators -- to fight climate-related financial risks to the government and economy. Among other measures, the order directs Treasury Secretary Yellen, head of the Financial Stability Oversight Council, to assess risk to the financial system and to the country and deliver a report within 180 days. ([Politico](#))
- The heads of the largest U.S. banks will testify in front of Congress on May 26-27, summoned by Senate Banking Committee Chairman Sherrod Brown (D-OH) and House Financial Services Committee Chairwoman Maxine Waters (D-CA). Among other things, Democrats are expected to raise questions on banks' performance during the coronavirus pandemic, including stock buybacks and investor dividends. ([Bloomberg](#))
- Bank of America Corp.'s offices may start to look more normal in September. CEO Brian Moynihan said BOA is encouraging employees to get vaccinated and allowing some locations to reopen if half of staff there are inoculated. https://www.bloomberg.com/news/articles/2021-04-15/bofa-ceo-says-staff-s-return-to-office-may-pick-up-in-september?mkt_tok=ODUwLVRBQS01MTEAAAF8eZsR_HWJ3k_zoDBoYuEgqD7aXrBBdY-F3Lg5H9uoQu6Jz4bTzPqnk6DoW6sUj7w0hPEioAOHTdfNsG9InJ-ReLUObouJ1Ofcrls8HydIsF7
- The U.S. housing market is 3.8 million single-family homes short of what is needed to meet the country's demand, according to a new analysis by mortgage-finance company Freddie Mac. The estimate represents a 52% rise in the nation's home shortage compared with 2018, the first time Freddie Mac quantified the shortfall. https://www.wsj.com/articles/u-s-housing-market-is-nearly-4-million-homes-short-of-buyer-demand-11618484400?mkt_tok=ODUwLVRBQS01MTEAAAF8eZsR_KMPeGXdrVmFuK6aUKourm4QITp9bYBLaADbhVIn-prmKnlX2PpKWMFMIi0QBJ2712xwWfwW062VbLrHp7NxYROJCizJwHdGoiUkjin7
- Covid concerns cause mortgage rates to retreat. A Zillo economist noted: "Rising covid-19 cases across the country and the pause on the Johnson & Johnson vaccine introduced fresh uncertainty to the market and placed renewed downward pressure on rates, helping drive them to their lowest level in a month, but despite this week's pullback, the outlook for rates is likely still upward, barring any additional setbacks for the nation's recovery from the pandemic." https://www.washingtonpost.com/business/2021/04/15/covid-concerns-cause-mortgage-rates-retreat/?mkt_tok=ODUwLVRBQS01MTEAAAF8eZsR_J7X--CDWFPjt_jT7tjs0k5G-9pl07PSGOXYixNEr0AEa2_RKQsqoPbeP4CcsYObp5IT4HsM5rG4d0MGY40qIbjdF9nbsuEqbZ188Y9X
- Democratic and Republican House members are forming a bipartisan group to push for a repeal of the \$10,000 cap on state and local tax (SALT) deductions, demonstrating a broadening campaign. "We are trying to build a diverse group of people," said Representative Tom Suozzi (D-Long Island), co-chair of the new Bipartisan SALT caucus. https://www.bloomberg.com/news/articles/2021-04-15/push-to-end-salt-cap-grows-with-new-bipartisan-house-caucus?mkt_tok=ODUwLVRBQS01MTEAAAF8eZsR_A0h5j5oXwYFluHG11QuTgIR2vqzak9pW84ehLFt4VD-viF3cqWwNcLrcgTo0dv74RLJMOOE7fZhiHzb9kt52UsT6-xbdcOffJEtFVLs

- Rep. [Alexandria Ocasio-Cortez](#) does not support a full repeal of the current limits on SALT deductions: “I do not believe in holding the entire infrastructure package hostage for a full repeal,” saying that seems a “bit of an extreme position.” She said is interested in finding ways to offer relief from the cap for the middle-class. Ocasio-Cortez and Rep. [Kathleen Rice](#) (D-Long Island) were the only two Democrats in New York’s House delegation who didn’t sign on to a letter this week that called for scrapping the \$10,000 cap, which was put into place by the 2017 GOP tax law, [H.R. 1 \(115\)](#).

FROM NEW YORK

- Governor Cuomo reported Thursday that COVID hospitalizations dropped to 3,963. <https://www.governor.ny.gov>. Of the 249,103 tests reported yesterday, 6,884, or 2.76%, were positive. The 7-day average positivity rate was 3.05%. There were 886 patients in ICU yesterday, down one from the previous day. Of them, 559 were intubated. 46 New Yorkers lost their lives to the virus. Statewide Covid-19 hospitalizations [have fallen below 4,000 for the first time since December](#). 39.6% of New Yorkers have completed at least one vaccine dose. New York had administered 12,638,792 total doses with 26.4% of New Yorkers completing their vaccine series. (These percentages include the entire population of New York, including children.) See data by region and county on the State’s Vaccine Tracker: <ny.gov/vaccinetracker>.
- As the state starts to ease some of its COVID-19 restrictions, doctors are warning that the virus and the new variants are still a threat across New York. Lawmakers and advocates on Thursday held a virtual rally pushing for the NY HERO Act, which would require businesses have enforceable standards to prevent the spread of COVID-19. [Read More](#)
- [County public health officials](#) are monitoring vaccinated people for so-called "breakthrough" cases of COVID-19.
- [Monroe County health officials say](#) they continue to see a surge in COVID-19 cases.
- North Country and Canadian officials are [growing less optimistic that the U.S.-Canada border can reopen](#) this summer to leisure travelers. Reps. John Katko and Elise Stefanik in a letter to the Biden administration on Thursday outlined a list of questions and concerns raised over staffing levels of federal agents near New York’s border with Canada. [Read more](#)
- The Emergency Rental Assistance Program, or ERAP, is funded by \$2.4 billion from the federal government and another \$100 million in state funds. Its purpose is to steer money to landlords and utilities whose tenants and customers have been unable to foot their bills during the pandemic. [Read More](#)
- A year ago, as millions of New Yorkers were staying home, tax revenue dried up and state officials had to borrow money to keep state operations afloat during the COVID-19 pandemic. Twelve months later, New York’s financial picture has brightened significantly, a report released Thursday by Comptroller Tom DiNapoli found. Tax collections for the recently concluded fiscal year came in at \$82.4 billion, Comptroller Tom DiNapoli [announced on Thursday evening](#). The total is \$3 billion higher than was estimated by the Division of the Budget in February. While that’s a decrease from \$82.9 billion collected in the prior fiscal year, it’s more good news for the state’s once-dire budgetary picture. [Read More](#)
- New York’s unemployment rate dropped from 8.9% to 8.5% between February and March at a slightly faster rate than the rest of the country, the state Department of Labor on Thursday announced. [Read More](#)

###

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)