

Monday, May 10, 2021
To: New York Community Banks

FROM ICBA

Fed proposes changes to interchange regs

The [Federal Reserve Board](#) invited public comment on proposed changes to Regulation II (Debit Card Interchange Fees and Routing).

Details: The changes would clarify that debit card issuers should enable, and allow merchants to choose from, at least two unaffiliated networks for card-not-present debit card transactions, such as online purchases.

Background: The Fed said two unaffiliated networks are often not available to process card-not-present debit card transactions because some issuers do not enable them, which prevents merchants from having a choice between competing networks when routing such transactions.

Report: The Fed also issued its latest biennial interchange report, which found that U.S. payment card networks in 2019 processed 79.2 billion debit and general-use prepaid card transactions valued at \$3.1 trillion. Total transaction volume grew 7 percent in 2019, in line with the 7.8 percent average annual growth rate from 2009 to 2018.

Next: Comments are due 60 days after publication in the Federal Register.

ICBA to FinCEN: exempt banks from beneficial owner mandates

ICBA called on the Financial Crimes Enforcement Network to amend its customer due diligence rules and withdraw its requirement that banks collect beneficial ownership information.

Background: FinCEN issued an advanced notice of proposed rulemaking under the Corporate Transparency Act on procedures and standards for submitting information about their beneficial owners.

ICBA Position: In its [comment letter](#), ICBA said requiring both FinCEN and financial institutions to collect the same beneficial owner information is ineffective, duplicative, unnecessary, and costly. Instead, it said FinCEN alone should collect and verify the information to ensure uniformity and consistency.

Interactive map may help remaining PPP applicants

With Paycheck Protection Program funds exhausted except for certain community financial institutions, the FDIC has an [interactive resource](#) that could help outstanding applicants obtain a PPP loan.

Background: While the general fund for new PPP loans is depleted, there is roughly \$8 billion remaining in funds set aside for Community Development Financial Institutions, Minority Depository Institutions, and certain other lenders.

FDIC Resource: As some small businesses continue seeking PPP loans, community banks that are no longer eligible may use the [FDIC's interactive map](#) of CDFIs and MDIs to direct borrowers to these institutions, which may be able to satisfy loan requests.

CDFI Caution: However, CDFIs should ensure that accepting PPP loans from outside CDFI Fund target markets does not put their CDFI certification at risk, which could affect eligibility for Emergency Capital Investment Program investments. More information is available in [CDFI Fund guidance](#).

Agencies schedule webinar on MDI, CDFI program

Federal regulators and the Treasury Department are scheduled to [host a webinar](#) at 3 p.m. (Eastern time) Monday, May 24, on the Emergency Capital Investment Program.

Webinar: Officials will provide an overview and answer questions about [the program](#), which will invest \$9 billion in Minority Depository Institutions and Community Development Financial Institutions.

Background: As requested by ICBA, Treasury recently extended the program deadline 60 days until Tuesday, July 6.

ARRC issues market indicators supporting LIBOR alternative

The Alternative Reference Rates Committee last week [published](#) market indicators it will consider in recommending a forward-looking Secured Overnight Financing Rate term rate to support the transition away from LIBOR.

Details: The indicators are designed to measure progress in establishing deep and liquid SOFR derivatives and cash markets to support a robust and stable term rate.

Background: ICBA serves on the ARRC—which is implementing the LIBOR transition and recommending SOFR as the alternative rate.

More: The ARRC in March said it will not be positioned to recommend a forward-looking SOFR term rate by mid-2021, so it encourages market participants to continue to transition from LIBOR using currently available tools.

Yellen names Hsu acting comptroller

Secretary Janet Yellen [designated](#) Michael J. Hsu as first deputy comptroller at the OCC, where he will take over as acting comptroller today.

Hsu: Prior to joining the OCC, Hsu served as an associate director in the Federal Reserve Board's Division of Supervision and Regulation, where he led a program on supervising the nation's largest financial institutions.

Background: While the president appoints the comptroller, the Treasury secretary may designate the first deputy comptroller, which serves as acting comptroller during a vacancy at comptroller.

More: Blake Paulson, who has served as acting comptroller since Jan. 14, will return to his role as the agency's senior deputy comptroller and chief operating officer.

Treasury announces \$21.6B in rental assistance

The Treasury Department [announced](#) the allocation of an additional \$21.6 billion under the American Rescue Plan for emergency rental assistance. The funds will help prevent evictions and support housing security for Americans affected by COVID-19.

Consumer credit rises 5.1% in Q1

Consumer credit [increased](#) at a seasonally adjusted annual rate of 5.1 percent during the first quarter following a 7.4 percent quarterly gain, the Federal Reserve reported. Revolving credit, which includes credit card spending, increased at an annual rate of 2.4 percent. Non-revolving credit, such as auto and student loans, rose 5.9 percent.

FROM OTHER SOURCES

- 36,539: The average number of daily, new coronavirus cases in the U.S. over the last seven days, per the most recent data from NBC News. <https://www.nbcnews.com/health/coronavirus>
- 585,835: The number of deaths in the United States from the virus so far, per the most recent data from NBC News. (That's 1,710 more than Friday morning.) <https://www.nbcnews.com/health/coronavirus>
- 31.7%: How many people have been fully vaccinated for Covid-19 in America. <https://www.nbcnews.com/health/coronavirus>
- 391,008: The average number of daily, new coronavirus cases in India over the last seven days, [according to Johns Hopkins](#)

FROM NEW YORK

- The number of new COVID cases is continuing a steady decline over the last 34 days as more New Yorkers are vaccinated, Governor Cuomo's office announced Sunday. The statewide seven-day COVID-19 positivity rate has dropped to 1.45%, the lowest since late October, and New York is currently on a 34-day streak of declining COVID-19 numbers. Hospitalizations are also dropping across the state, down 511 over the past week for a total of 2,024. The seven-day average for hospitalizations is on its 38th straight day of decline, at 2,339. There were 35 new deaths reported Sunday. The statewide positivity rate is now 1.32%. [Read more.](#)
- [New York businesses are facing](#) a worker shortage that could hamper the post-pandemic recovery.
- The state [has relaxed rules](#) so that all U.S. residents 16 and older can get the vaccine here, removing a residency requirement that was in place previously. This would seem to allow de Blasio to go forward with [his plan to vaccinate tourists.](#)

- Nearly 60 percent of adults in New York state [have received](#) at least one dose of the Covid vaccine.
- [Family doctors could be key to prodding vaccine-reluctant New Yorkers](#) “With growing concern about a drop in Covid vaccination rates in New York. . . Primary care physicians are probably going to be the best messengers to convince wait-and-see people to get vaccinated.
- State lawmakers are considering a bill that would make it easier for prosecutors to take on vaccine card forgery cases in New York amid a rise in fakes being circulating. [Read More](#)
- As New Yorkers await the outcome of investigations that might determine Gov. Andrew Cuomo’s fate, he seems to be recalibrating his political strategy, intent on shoring up support among voters and projecting an image of nose-to-the-grindstone leadership, [The New York Times reports](#).
- Huge numbers of employees at New York nursing homes still haven’t been vaccinated against COVID-19, with more than 60% percent of staffers at some New York City facilities refusing to get the jab, [the Post reports](#).
- Metropolitan Transportation Authority data shows that 41% of its more than 70,000 employees have received at least one vaccine dose, but officials concede it won’t be easy to sway vaccine holdouts, even with the MTA offering workers four hours’ pay to get the shots, [The City reports](#).
- Governor Cuomo announced a slate of [new administration appointments](#) . Dana Carotenuto as Chief of Staff to replace Jill DesRosiers, who is on maternity leave. Rich Azzopardi will add Director of Communications back to his senior adviser title. Colin Brennan has been appointed Senior Deputy Communications Director. Jennifer Givner was appointed Acting Press Secretary.
- A supermajority of the state Senate’s 63 members "rarely agree on anything," but there are 44 senators who are sponsoring a necessary bill to exempt jobless folks from having to pay income tax on the unemployment benefits from last year, [the Daily News writes](#).

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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)**