

Tuesday, May 11, 2021

To: New York Community Banks

FROM ICBA

ICBA: IRS reporting proposal would “impose costs and complexity”

ICBA voiced its opposition to an Administration proposal, which would impose new bank IRS reporting requirements on customer bank accounts, in a [joint letter](#) to the Senate Finance Committee ahead of [today’s hearing](#).

Background: President Joe Biden’s \$1.8 trillion American Families Plan proposes that financial institutions report to the IRS on bank account flows of customers related to investments and business activity, according to statements from the [White House](#) and [Treasury Department](#).

ICBA Position: Community banks already conduct substantial reporting. Any new reporting requirements would impose cost and complexity without a justifiable benefit. ICBA called for a cost-benefit analysis before adopting new requirements, which could carry privacy and fairness implications for accountholders.

READ ICBA LETTER

ICBA objects to simplified CBLR for complex credit unions

ICBA [wrote](#) to the National Credit Union Administration to express its concerns regarding an advanced notice of proposed rulemaking, which would simplify risk-based capital requirements for complex credit unions with assets of \$500 million or more.

Background: The ANPR seeks to provide two alternatives to the adoption of risk-based capital requirements. Alternative one introduces a simple leverage ratio with capital buffers in stages for credit unions that engage in more risky activities, including certain asset concentrations and carrying mortgage servicing rights. Alternative two seeks to adopt the community bank leverage ratio currently available for certain community banks without full adoption of Basel III.

ICBA Position: The NCUA should, at minimum, implement the risk-based capital framework for complex credit unions before allowing simple alternatives, which community banks have had to comply with for years. The alternative allowing for a simple leverage ratio with additional buffers is akin to the current risk-based net worth ratio, which if adopted would essentially bring complex credit unions back to a net worth calculation and avoid risk-based capital entirely, ICBA wrote.

CFPB proposal targets COVID-impacted mortgages

ICBA [thanked](#) the Consumer Financial Protection Bureau for its proposed rule, which frees small servicers from additional regulatory burden as they work with COVID-affected borrowers to evaluate their loss mitigation options to avoid foreclosures when possible.

Background: The proposal extends the temporary COVID-19 emergency pre-foreclosure period until Dec 31, 2021 and would permit mortgage servicers to offer certain loan modifications to impacted borrowers. The bureau is also weighing whether there are instances in which a proposed restriction may be waived, provided the servicer has completed a proper loss mitigation review and concluded they are ineligible for a non-foreclosure option.

More: ICBA urged the bureau to coordinate its requirements with other agencies and not to become overly prescriptive with servicer requirements, which could raise servicing costs and negatively impact borrowers. ICBA also asked for an exclusion to the requirements for abandoned properties and where it is likely that that an extended foreclosure moratorium could result in the degradation of a property’s value.

FROM OTHER SOURCES

- The FDA authorized the use of the Pfizer-BioNTech COVID-19 vaccine for 12- to 15-year-olds in the United States, a crucial step in the nation’s recovery from the pandemic and a boon to millions of American families eager for a return to normalcy, [the Times reports](#). The CDC’s Advisory Committee on Immunization Practices meets tomorrow to decide whether to recommend use of the vaccine on that age bracket. If approved, CDC Director Walensky will

deliver the agency's final determination on whether to begin vaccinations for the youngest eligible Americans. [CNN](#)

- For the first time since the pandemic began, fewer than half of Americans (43%) see returning to their "normal" pre-coronavirus lives as risky, Margaret Talev [writes](#) from the [Axios/Ipsos Coronavirus Index](#). This tipping point comes as nearly two thirds of respondents in our weekly national poll say they've gotten at least one shot. Democrats are still much more likely than Republicans to say they're wearing masks. 54% of Americans said they've gone out to eat — the first time that figure has passed 50% since we began asking the question a year ago. [Keep reading](#).
- The Biden administration will begin distributing \$350 billion to state and local governments this month, giving them money to pay for pandemic-related costs, fill revenue shortfalls and pay for water, sewer and broadband projects-but not to cut state taxes. https://www.wsj.com/articles/biden-administration-to-start-doling-out-350-billion-in-aid-to-state-local-governments-11620666000?mod=hp_listb_pos3&mkt_tok=ODUwLVRBQS01MTEAAAF8-mV5uZbfIDVwwLE1d5H_8UspfLLHGmj9fc4OE56n2kx1UEivV1jysCEoEM2hRZTB0sgTHvkGUL16uBv6BQjgghP7h7gVy9bUVQC1N92ioyL3
- President Biden defended robust unemployment benefits despite criticism from business groups and some Republicans following a disappointing jobs report, and pressured employers to provide "fair wages and safe work benefits" as reopenings continue. However, he ordered the U.S. Labor Department to make sure that jobless Americans can't access the extra federal benefits if they turn down a suitable job offer. [The New York Times](#)
- The Biden administration's top economic aides like Federal Reserve Chairman Powell. Lawmakers on both sides of the aisle respect him. Some progressive groups are mobilizing against Powell's reappointment, calling on Biden to pick a more liberal candidate for the country's most important economic policy job. Powell's term ends in February, but decisions on Fed leadership are typically made well in advance. The President's decision could come by late summer or early fall. https://www.politico.com/news/2021/05/11/fed-chair-powell-biden-left-486746?mkt_tok=ODUwLVRBQS01MTEAAAF8-kQpMqm-juWkwG1yQiKVn_emDdFnY5YkT-jvhmxvWilZ-IKfGYJknvhPzFxr6rUMcRnMIJTG6L31JSCjjuqozRLnpQU6dtbKyE7_G6Pp3yff
- Federal Reserve Chair Powell says he wants to see a recovery that reaches all corners of the labor market before the U.S. central bank begins raising interest rates. The numbers in Friday's jobs report suggest the economy didn't make much progress toward that goal in April. https://www.bloomberg.com/news/articles/2021-05-10/powell-dashboard-shows-wider-disparities-as-job-growth-slows?mkt_tok=ODUwLVRBQS01MTEAAAF8-kQpMib2f-HuNeBhuYa-91MgcQzV5936X-H4VXBC9oq5GCy_V6B819Sc2ufU4SyJPd_ka_X1VJ9mJGi5Kv7s7lbbFIMe6P_bJ37eZAurLh6I

FROM NEW YORK

- Governor Cuomo said yesterday that COVID hospitalizations dropped to 2,016. Of the 110,541 tests reported yesterday, 1,580, or 1.43%, were positive. The 7-day average percent positivity was 1.40%. There were 493 patients in ICU yesterday, down 18 from the previous day. Of them, 301 are intubated. 27 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. To date, New York administered 16,826,409 total doses with 48.9 percent of adult New Yorkers completing their vaccine series. 60.2% of adult New Yorkers have completed at least one vaccine dose. See additional data on the State's [Vaccine Tracker](#).
- [New York is a little more than a week away](#) from a broad loosening of COVID restrictions that includes lifting capacity limits for many businesses. However, the state is not yet lifting indoor mask requirements in those settings.
- Governor Cuomo announced the State University of New York and the City University of New York will require Covid-19 vaccinations for students returning this fall, assuming the federal government gives full approval to the vaccines. <https://www.politico.com/states/new->

[york/albany/story/2021/05/10/cuomo-says-new-york-public-colleges-will-require-students-to-get-vaccines-1381180?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317](https://www.albany.edu/story/2021/05/10/cuomo-says-new-york-public-colleges-will-require-students-to-get-vaccines-1381180?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317)

- Evictions in New York could one day be found in a searchable, public database as lawmakers try to demonstrate the scope of the problem amid the ongoing COVID-19 pandemic. [Read More](#)
- Cuomo announced popup COVID-19 vaccination sites are coming to transit hubs and subway stations across New York City and surrounding suburbs in an effort to expand access to immunizations, [the Daily News reports](#).
- The vacancy rate at nursing homes in New York has jumped to three times pre-pandemic levels and is raising fears about the fiscal viability of the facilities, though it may present an opportunity to encourage funding and use of more community-based and at-home services, [Newsday 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.

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