

Wednesday, May 12, 2021

To: New York Community Banks

Happy Wednesday all.

With almost five weeks left in the NYS legislative session, we have a few very important issues/bills that we need to oppose and have our voices heard.

The most important is bill S.1762-A/A.5782, to create a state/public bank. This would have a big impact on community banks as access to municipal deposits would dry up. Our letter of opposition is included in today's update (see attached). please read the memo!

Contact me with any questions.

-- John

FROM ICBA

Senate votes to repeal OCC “True Lender” rule

The Senate voted to repeal the OCC’s “true lender” rule last night by a 52-47 margin. The [ICBA-supported OCC rule](#) creates a standard to determine when a bank is the “true lender” when partnering with a third party. Under the rule, banks are deemed true lenders if they fund the loan or are named as the lender in the loan agreement on the origination date. The House still has to vote on this resolution to repeal if “true lender” is to be changed.

ICBA and other groups recently [told Congress](#) they oppose legislative efforts to repeal the OCC’s “true lender” rule.

ICBA weighs in on non-judicial foreclosure legislation

In a [joint letter](#) to House leadership ICBA noted its opposition to title VIII of H.R. 2547, which would reverse a Supreme Court ruling related to non-judicial foreclosure proceedings.

Background: Title VIII of H.R. 2547, the Non-Judicial Foreclosure Debt Collection Clarification Act would reverse the unanimous Supreme Court of the United States decision in *Obduskey V. McCarthy and Holthus LLP*, which clarified that entities enforcing a security interest without also seeking repayment or deficiency judgment generally do not qualify as debt collectors under the Fair Debt Collection Practices Act.

ICBA Position: ICBA supports the unanimous SCOTUS ruling, and opposes any legislation designed to overturn the decision, which would disrupt the choices states have made in structuring their foreclosure regimes, imposing unnecessary costs and delay to the enforcement of real property interests, and subsequently the cost of credit.

ICBA sounds early alarm on proposed IRS reporting

ICBA [expressed strong objection](#) to new bank reporting requirements on customer bank account flows, including earnings from investments and business activity proposed under President Biden’s American Families plan.

The proposal would create a “costly and complex” new reporting burden for community banks, exposes banks to penalties for inadvertent errors, and would channel more personal taxpayer information into the IRS than the agency can realistically track and process.

“This is a risky and counterproductive proposal that would yield uncertain benefits at significant cost to institutions that are best focused on serving their communities’ credit needs,” ICBA said in written testimony before a Senate Finance [subcommittee hearing](#) on shrinking the tax gap.

ICBA will continue to address this troubling proposed initiative as Congress begins drafting tax legislation and closing the “tax gap.”

ICBA urges OCC to block sale of mutual bank’s assets to credit union

ICBA's Mutual Council and America’s Mutual Banks [urged the OCC](#) to suspend the sale of Brainerd Savings and Loan Association assets to Wings Financial Credit Union until all freedom of information requests have been considered. “Without careful consideration by the OCC of the pending transaction, which is expected to close by May 31, this transaction would have extremely negative consequences for the future of all federally chartered mutual banking organizations, their depositors, and the communities they serve,” the group wrote.

FDIC publishes 2021 Risk Review

The FDIC published its [2021 Risk Review](#), a comprehensive summary of emerging risks in the U.S. banking system. The 2021 Risk Report summarizes conditions in the U.S. economy, financial markets, and banking sector, and presents key credit and market risks to banks.

USDA names key staff appointments

The USDA [announced](#) the appointment of Kate Waters as press secretary in the Office of Communications. Eddie Shimkus and Laura Driscoll were named legislative advisors in the Office of Congressional Relations, and Jon Hurst was named special assistant in the Office of the Deputy Secretary.

FDIC names deputy director of Office of Innovation

The FDIC [appointed](#) Zunera Mazhar as deputy director of the office of innovation. Mazhar will guide the agency’s work to promote the adoption of innovative technologies within the FDIC and across the financial services sector.

Small-biz optimism up, job openings at record high

The NFIB Small Business Optimism Index [rose](#) to 99.8 in April from 98.2 in March. The index has increased 4.8 points over the past three months, but a record 44 percent of owners reported job openings.

FROM OTHER SOURCES

- Senate Democrats are signaling they're unlikely to extend a \$300 federal weekly unemployment benefit past September, especially if the economy continues to recover. Senate Majority Leader Chuck Schumer said at a Tuesday press conference there was "overwhelming support" among Democrats to keep providing the additional money to existing unemployment insurance. https://www.politico.com/news/2021/05/11/senate-democrats-unemployment-benefit-487295?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBKprGdJp6_np3tZv9k25pkm5JHTn_fX6EBELFwIOktrJ-MDgY7fj_BiR76iNCvarSHiProjb3STbWTKN-8NjNHV1woJJcTbv6f8MLRsI
- Iowa and Tennessee yesterday became the latest Republican-led states that are moving to eliminate the enhanced federal \$300-a-week unemployment benefits that some argue are contributing to available jobs not being filled. Iowa Gov. Kim Reynolds (R) said that the payments, which provided "crucial" assistance at the beginning of the pandemic, are now "discouraging people from returning to work." ([The Wall Street Journal](#))
- Job openings reached a record level of 8.1 million at the end of March, reflecting a widening gap between open positions and workers willing and able to take those roles. Available jobs rose by a seasonally adjusted 600,000 in March to exceed the prior record of 7.6 million set in November 2018, the U.S. Labor Department said Tuesday. <https://www.wsj.com/articles/job-openings-rise->

[despite-hiring-slowdown-11620725400?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBLJNlRqWZbDIIg7ZifHFbDskIe8dwsnl8Bff7T9IJ4oI2-SR_6nSXkWR4KoH_z9V5oXvI0Vq9aYGc1bocKBNECi40ZZjHyxw_MZf_Tzj](https://www.axios.com/newsletters/axios-am-5904c5ab-9977-4cd1-aa3a-31f8499a523f.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top)

- Pandemic anxieties are entering a new phase as more employers start to call vaccinated workers back into their offices, Axios' Tina Reed [writes](#). Some workers are struggling to rearrange their routines yet again; some don't have that flexibility. Employers and employees are figuring it out on the fly. Said one primary-care physician in Washington: "More and more employers are saying, 'If you've been vaccinated and we have all the safety precautions in place, it's time to come back to work.' That's causing a lot of anxiety." Younger workers may be surprisingly skittish about going back, and women may face unique stress as they shoulder the burden of parenting and household chores at the same time. [Share this story](#). https://www.axios.com/newsletters/axios-am-5904c5ab-9977-4cd1-aa3a-31f8499a523f.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top
- Many vaccinated Americans are still uncomfortable returning to public activities. . .and the U.S. economy needs them. A new Morning Consult poll found that adults who have received at least one dose are less likely to eat in a restaurant, travel abroad or go to the gym than their unvaccinated peers. https://morningconsult.com/2021/05/12/vaccinated-unvaccinated-americans-comfort-with-activities/?utm_source=newsletter&utm_medium=email_newsletter&utm_campaign=feature_story&utm_content=Silverman_Washington_chart_051221&mkt_tok=ODUwLVRBQS01MTEAAAF8_4ukAtJkZxGEUhirwRDmJyxXx8H380z4MhRO5aCBa8FckO_-r64lnzZ-7Cb080mRNAmPEvknXgNnTHF0_80ilI8jplEdMsxWvG-72bOTkFr
- Citigroup Inc. Chief Executive Officer Jane Fraser said she's "very bullish" on the immediate outlook for the U.S. economy, and the banking giant is still planning to add more branches around the country. https://www.bloomberg.com/news/articles/2021-05-11/citi-eyes-more-u-s-branches-with-fraser-bullish-on-recovery?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBKqSO7hCSFmf0b-ALb5NrzcNWYQhlmqQqJAAQAulcTcKM_edgdP1WONg3QopuSo8zOFT1DpvnkdfmmYrDjTOTcNhnE8KexyamPcHV88pF
- As Covid-19 pandemic forced many Americans to stay home, more than seven million households moved to a different county - nearly half a million more households than in 2019. Spurred by the promise of flexible, remote work, many left large metropolitan areas and migrated toward less-dense, more-affordable places that offered more space -- including within New York State. https://www.wsj.com/articles/americans-up-and-moved-during-the-pandemic-heres-where-they-went-11620734566?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBKxqUxQPfPgPW9A_jJ006Q1pA4GviXf12DnsM8tFUodaPnwYXgRRJH6cO3eKoyxlrcrAhDzWX6MkYN1ARhG3frAUAEb9Ec9ulCJpMNBd
- U.S. home prices rose nearly everywhere in the first quarter, a rapid price appreciation that shows little sign of fading soon with limited housing inventory and robust demand. The median sales price for existing single-family homes was higher in the quarter compared with a year earlier for 182 of the 183 metro areas tracked by the National Association of Realtors, the group said Tuesday. In 89% of those metro areas, median prices rose by more than 10% from a year earlier. https://www.wsj.com/articles/u-s-home-prices-surge-higher-pricing-out-many-buyers-11620748183?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBKv6hI0Fdpfj60bUdFv7T50BwLeQG6FHPZ5EayNvHsq4tAtDBfk4EhCLBF3otmcjYHRsM6ocmTT5wlf2sRM-E7DFXvNhPtn-ATa3OrB
- The latest gauge on inflation released Wednesday morning showed that prices rose 4.2% over last year, based on the [Consumer Price Index](#) (CPI). The gains were highest since September 2008, stoking new fears of inflation. Prices jumped significantly compared to the start of the pandemic last year, when lockdowns drove down demand. Energy prices rose the most by 25%, followed by

used cars and trucks at 21%. Apparel prices grew by nearly 2% after seeing two months of consecutive declines.

- [More consumers](#) have grown worried about rising costs and say they are adjusting how they will spend as a result. However, most economists and the Fed maintain that the price swing will be temporary. For context: Prices grew 2.6% year-over-year [in March](#) as the U.S. administered its 100 million COVID-19 vaccine dose, weeks [ahead of schedule](#). Consumer prices have been more volatile over the past year than at any point [in decades](#).
- The red-hot U.S. housing market is giving an extra boost to the cheapest houses, including many in historically stagnant neighborhoods that have suffered from a lack of investment. https://www.wsj.com/articles/housing-market-surge-is-making-the-cheapest-homes-the-hottest-11620811980?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBLSLKAQlT1oP45weQzt7WdlAFMrf9T6mThNwOxavNzn75uGmrvvROHAHIs2Q1oxs2Zmc6N9e6_Vs8SvSTnizEhx0aKKWgKM0_Duv6S8a
- After decades in which it decreased, the retirement rate rose during the pandemic, according to the latest government data. https://www.nytimes.com/2021/05/12/upshot/retirements-increased-pandemic.html?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBKcZ2E7JuGk8XY4BQdIZLwLSwzgQc4iapfrO-y-hJ9i8O12fl1n2KHWOwF_qyBCuS0TIJHx8yHiPOMxawTRKMOOrTC-tmn-aX4Lyp4bZ-
- Any move by the Federal Reserve to limit its support for the economy because of surging asset prices would damage the conditions the Fed is helping create to spur job growth and the help millions still unemployed due to the pandemic find work, Fed Governor Lael Brainard said on Tuesday. https://www.reuters.com/article/usa-fed-brainard-assets/brainard-pulling-back-support-due-to-high-stocks-may-hurt-efforts-to-boost-jobs-idUSS0N2LF00J?mkt_tok=ODUwLVRBQS01MTEAAAF8_3dBLYG9jly2e9RDICShTIPLWXsRh_pSMRY_e-jTVpU5-r7jCAIIXKXQgZfmbTPbtShHOG3g4_I8wNARp0Bb72wGXvTpQpv00Jbj9PXXSrSo

FROM NEW YORK

- Governor Cuomo reported Tuesday that COVID hospitalizations in New York State rose slightly to 2,026. Of the 99,656 tests reported yesterday, 1,516, or 1.525, were positive. The 7-day average percent positivity was 1.34%. There were 491 patients in ICU yesterday, down two from the previous day. Of them, 290 are intubated. 32 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. New York had administered 16,938,242 total doses with 49.4% of adult New Yorkers had completed their vaccine series. 60.4% of adult New Yorkers had completed at least one vaccine dose. See additional data on the State's [Vaccine Tracker](#).
- The FDA expanded the emergency use authorization of the Pfizer vaccine to include people ages 12-15. The CDC's vaccine advisory committee, the Advisory Committee on Immunization Practices (ACIP), will meet tomorrow to review data and discuss whether to recommend the vaccine for this age group to the CDC director. Following the review, New York State Health Commissioner Zucker will meet with the State's Clinical Advisory Task Force and make a final recommendation, meaning full authorization for vaccinations to begin for 12- to 15-year-olds in New York could happen as early as Thursday. <https://www.governor.ny.gov>
- While the vast majority of the likely hundreds of thousands of New Yorkers who contracted COVID-19 on the job are eligible for worker's compensation, most have not applied and only a fraction of those who did have received it, [Gotham Gazette reports](#).
- The University at Buffalo says it's had a successful year keeping students safe from COVID-19 with a positivity rate at less than 1%. However, Vice President for Communications John DellaContrada said less than half of UB's nearly 30,000 students indicated this spring semester that they're regularly on campus for class, work or other activities. He added: "The University at Buffalo is very supportive of a vaccine requirement for all students who want to be on campus in the fall." [Read more](#).
- The Department of Education will not require city kids to get vaccinated before the upcoming school year, Mayor de Blasio said Tuesday. The declaration came the day after both the CUNY

and SUNY systems announced that students would have to receive the COVID-19 shot before enrolling in the fall. <https://nypost.com/2021/05/11/nyc-kids-wont-need-covid-vaccine-to-return-to-school-in-fall/>

- [More than a year since trucks arrived](#) at the 39th Street Pier in Brooklyn storing hundreds of bodies of COVID-19 victims, elected officials and nearby residents are demanding answers.
- Beer coupons are not the answer for anyone under 21 to get the coronavirus vaccine, so as health officials prepare to inoculate younger people against COVID-19, some creative incentives are called for, [the Buffalo News writes](#).
- The New York State Legislature is scheduled to adjourn for the year on June 10. There are several questions looming over the next month: What will lawmakers focus on? And will lawmakers be able to focus with the results of three investigations into Governor Cuomo dropping at some point in the near future? [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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