

Thursday, May 13, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA leads grassroots on rural tax relief

ICBA-advocated legislation would provide a new, targeted tax incentive for agricultural and rural residential lending, ICBA's Mark Scanlan writes in this month's [Independent Banker](#) magazine.

**Details:** The Enhancing Credit Opportunities in Rural America (ECORA) Act (H.R. 1977) would [exempt from taxation](#) interest income on farm real estate and rural mortgage loans, Scanlan writes.

**Impact:** Introduced in the House by Reps. Ron Kind (D-Wis.) and Randy Feenstra (R-Iowa) with a Senate version expected soon, ECORA would help provide access to credit to rural borrowers while helping community banks compete against the tax-advantaged Farm Credit System.

**Grassroots:** Community bankers can use ICBA's [Be Heard grassroots action center](#) to urge their members of Congress to support ECORA.

### [CONTACT CONGRESS](#)

### IRS issues 960K EIPs

The [IRS said](#) it is disbursing roughly 960,000 more Economic Impact Payments in the ninth batch under the American Rescue Plan.

**New Batch:** The latest batch—which has a total value of more than \$1.8 billion—began processing May 7 with an official payment date of May 12.

**Resources:** More EIP information is available in FAQs from the [IRS](#) and [ICBA](#) and in the federal [Get My Payment portal](#).

### Credit card balances show second-largest decline

Total household debt [increased](#) by 0.6 percent in the first quarter, according to the Federal Reserve Bank of New York. While mortgage, auto, and student loan balances continued to increase, credit card balances recorded the second-largest quarterly decline since the data series began in 1999.

### Consumer price index highest since '08

The Consumer Price Index [increased](#) a seasonally adjusted 0.8 percent in April following a 0.6 percent increase in March, the Labor Department reported. The index of consumer inflation rose 4.2 percent from the same time a year ago, the largest 12-month increase since September 2008.

## FROM OTHER SOURCES

- America is finally winning its fight against the coronavirus, according to this Axios [report](#). The U.S. averaged fewer than 40,000 new cases per day over the past week -- the first time the daily average has dipped below 40,000 since September. New cases declined last week in 37 states. Not a single state moved in the wrong direction. Deaths from the coronavirus are at their lowest level since last July — about 600 per day, on average, [per AP](#), and may soon hit their lowest point of the entire pandemic. Hospitalization rates are also falling significantly. [Share this map](#). [https://www.axios.com/newsletters/axios-am-9204abb4-3abb-4a83-8cb1-971e065693b2.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosam&stream=top](https://www.axios.com/newsletters/axios-am-9204abb4-3abb-4a83-8cb1-971e065693b2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top)
- The Centers for Disease Control and Prevention recommended Pfizer Inc.'s COVID-19 vaccine for children ages 12-15, after the Advisory Committee on Immunization Practices signed off on the drug in a 14-0 vote. The move to vaccinate adolescents is viewed by public health officials as critical to slowing the spread of COVID-19 and allowing a full return to schools. ([The Wall Street Journal](#))
- COVID-19 vaccine developers are making ever bolder assertions that the world will need yearly booster shots, or new vaccines to tackle concerning coronavirus variants, but some scientists question when, or whether, such shots will be needed. <https://www.reuters.com/world/middle->

[east/top-scientists-question-need-covid-19-booster-shots-2021-05-13/?mkt\\_tok=ODUwLVRBQS01MTEAAAF9BLPIgHqx2kY1TYe1JghTCxCDILhAvPH4Sj6V Md\\_KHs15pg9K3AotkeGP1zCfQGg1-hne5aEnuODq-RG39G4t5Q1HM4vBTwwbf4yWqX-T1tqh](https://www.axios.com/newsletters/axios-am-9204abb4-3abb-4a83-8cb1-971e065693b2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top)

- Pent-up demand boosted April travel bookings 11% above April 2019, according to American Express Travel data provided exclusively to Hope King for [Axios Markets](#). The vast majority (87%) of people are staying domestic; 39% said they plan to travel internationally within the year. The top 10 U.S. destinations: New York, L.A., Atlanta, Dallas, Miami, Chicago, Charlotte, Denver, San Francisco and Phoenix. Topping the international list: Sydney, Melbourne, London, Dubai, Tokyo, Hong Kong, Singapore and Paris. [https://www.axios.com/newsletters/axios-am-9204abb4-3abb-4a83-8cb1-971e065693b2.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosam&stream=top](https://www.axios.com/newsletters/axios-am-9204abb4-3abb-4a83-8cb1-971e065693b2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top)
- Lawmakers have unleashed more than \$5 trillion in relief aid over the past year to help businesses and individuals through the pandemic downturn. But the scale of that effort is placing serious strain on a patchwork oversight network created to ferret out waste and fraud. [https://www.nytimes.com/2021/05/13/us/politics/pandemic-relief-funds-oversight.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF9BJaoSfqVGC0tLAPgNRfzI5rVTDshkrB9Ow6YIEuSiHOLhLuUnUmSzV3HwBM60FiCpSqqpw\\_dGY1PhdXqRJaEWuPAam-DAMQFFO8IKUbyPwS](https://www.nytimes.com/2021/05/13/us/politics/pandemic-relief-funds-oversight.html?mkt_tok=ODUwLVRBQS01MTEAAAF9BJaoSfqVGC0tLAPgNRfzI5rVTDshkrB9Ow6YIEuSiHOLhLuUnUmSzV3HwBM60FiCpSqqpw_dGY1PhdXqRJaEWuPAam-DAMQFFO8IKUbyPwS)
- The U.S. budget gap widened in the first seven months of the fiscal year, as federal spending continued to outpace rising tax receipts while the nation recovers from the economic fallout from the Covid-19 pandemic. The government ran a \$1.9 trillion deficit from October through April, a record for the seven-month period and a 30% increase from a year earlier, the Treasury Department said Wednesday. [https://www.wsj.com/articles/u-s-ran-record-1-9-trillion-budget-deficit-in-first-seven-months-of-fiscal-year-11620842400?mkt\\_tok=ODUwLVRBQS01MTEAAAF9BJaoSVFBUCT6rL-MyqsjZgQOeBoz5r4py3o70aweKEE\\_vpYP6LDuSMNHbNaCqjug09kfnfu5hbKPMVx1C9DmrrNXZiUnY4eNebVtu0RODWcm](https://www.wsj.com/articles/u-s-ran-record-1-9-trillion-budget-deficit-in-first-seven-months-of-fiscal-year-11620842400?mkt_tok=ODUwLVRBQS01MTEAAAF9BJaoSVFBUCT6rL-MyqsjZgQOeBoz5r4py3o70aweKEE_vpYP6LDuSMNHbNaCqjug09kfnfu5hbKPMVx1C9DmrrNXZiUnY4eNebVtu0RODWcm)
- A sharp rise in gas prices and inflation, combined with turbulence in the job market, is creating new economic pressures for President Biden just as he tries to secure a legacy-defining set of domestic spending proposals. [https://www.washingtonpost.com/business/2021/05/12/inflation-cpi-april-prices/?mkt\\_tok=ODUwLVRBQS01MTEAAAF9BJaoSYgaQX8VyyvRlgXA8iIwFPQGFhmWSyVldULOjg3A8W1zfpaxJJEuFha\\_cDARozFOERfC2aGjNYvhsf7Cw8Sub7GWxXOYFCotx5KYWQ3My](https://www.washingtonpost.com/business/2021/05/12/inflation-cpi-april-prices/?mkt_tok=ODUwLVRBQS01MTEAAAF9BJaoSYgaQX8VyyvRlgXA8iIwFPQGFhmWSyVldULOjg3A8W1zfpaxJJEuFha_cDARozFOERfC2aGjNYvhsf7Cw8Sub7GWxXOYFCotx5KYWQ3My)
- Fed Vice Chairman Clarida said Wednesday he was "surprised" by a larger-than-expected jump in inflation last month but stressed that more data would be necessary for the central bank to begin scaling back its easy-money policies. [https://www.wsj.com/articles/inflation-increases-likely-to-prove-transitory-fed-official-says-11620824400?mkt\\_tok=ODUwLVRBQS01MTEAAAF9BJaoSGRuc72vqFAs73G9c3XepZjJdtOBQMzgQ929OEPnstrlfWyhZW8Deq4cURwcAHL2lqF43CXqyHL8PMFiqMFH3iqQQocteirrtPdRMem](https://www.wsj.com/articles/inflation-increases-likely-to-prove-transitory-fed-official-says-11620824400?mkt_tok=ODUwLVRBQS01MTEAAAF9BJaoSGRuc72vqFAs73G9c3XepZjJdtOBQMzgQ929OEPnstrlfWyhZW8Deq4cURwcAHL2lqF43CXqyHL8PMFiqMFH3iqQQocteirrtPdRMem)
- Banks are gearing up to lobby against President Joe Biden's plan for having them help the IRS collect billions of dollars in unpaid taxes to bolster financing for trillions in spending on infrastructure, education and other programs. The lenders' opposition is focused on an envisioned requirement to have them report account inflows and outflows annually as part of government efforts to root out lawbreakers. [https://www.politico.com/news/2021/05/12/banks-tax-irs-487538?mkt\\_tok=ODUwLVRBQS01MTEAAAF9BJaoScRCmKV6QIPt5yFKrLUM7o5AaRq87cSTcFHWiC8bX4Kq31gTJdETVDNrmHGw2Oz1ENTLzOwRj0ZRomyVaIpbW1ZYvo97zW1VGy0SvVwb](https://www.politico.com/news/2021/05/12/banks-tax-irs-487538?mkt_tok=ODUwLVRBQS01MTEAAAF9BJaoScRCmKV6QIPt5yFKrLUM7o5AaRq87cSTcFHWiC8bX4Kq31gTJdETVDNrmHGw2Oz1ENTLzOwRj0ZRomyVaIpbW1ZYvo97zW1VGy0SvVwb)

- A digital currency project backed by Facebook Inc. known as the Diem Association (formerly Libra) announced plans to launch a U.S. dollar stablecoin. The group is relocating its main operations to the U.S. from Switzerland and is withdrawing its payment system license application with the Swiss Financial Market Supervisory Authority. [Financial Times](#)

### **FROM NEW YORK**

- Governor Cuomo reported COVID hospitalizations dropped to 1,928. Of the 165,892 tests reported yesterday, 1,830, or 1.10%, were positive. The 7-day average percent positivity was 1.28%. There were 463 patients in ICU yesterday, down 28 from the previous day. Of them, 270 are intubated. 26 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. To date, New York administered 17,054,335 total doses with 50.0% of adult New Yorkers completing their vaccine series. 60.7% of adult New Yorkers have completed at least one vaccine dose. See additional data on the State's [Vaccine Tracker](#).
- Last night, Governor Cuomo's office indicated children age 12 to 15 will be able to get the Pfizer two-dose COVID-19 vaccine, potentially paving the way for a broader reopening of schools in the fall. He noted: "Children under the age of 18 now account for more than 20% of new cases in this country, and vaccine authorization for a younger population will allow the state to continue its tremendous progress towards winning the war against COVID." The CDC announced they will now recommend the use of the vaccine for the age group. [Read more](#).
- More than half of the state's adults [have now been fully vaccinated](#).
- People [flocked to new subway station vaccine sites](#) as they opened on Wednesday.
- Information about New York's Emergency Rental Assistance Program finally appeared on the website for the state's Office of Temporary and Disability Assistance. It includes details on eligibility for the program, benefits and the necessary application materials, but skips a key detail: when the program will actually launch. <https://therealdeal.com/2021/05/12/new-yorks-rent-relief-site-goes-live-without-applications/>

# # # #

**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](mailto:Johnw@ibanys.net); 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations ([Steve@ibanys.net](mailto:Steve@ibanys.net))**