

FROM ICBA

ICBA released its latest video in a series on how community banks have partnered with small businesses during the pandemic to help them navigate the Paycheck Protection Program.

Videos: Available on banklocally.org and featuring small-business customers of Tioga State Bank, M&F Bank, and Bank of Idaho, the videos discuss the relationship-based community banking model and encourage viewers to find their local community bank.

Ongoing Series: The new video builds upon ICBA's ongoing series on banklocally.org spotlighting the value that community banks bring to the customers and communities they serve.

Social Media: ICBA is featuring the new video on its social media channels with the [#BankLocally](https://twitter.com/BankLocally) hashtag and encourages community bankers nationwide to weigh in and promote the campaign to their followers.

More: [Banklocally.org](https://banklocally.org) also features: ICBA's Community Bank Locator allowing consumers and small businesses to find a community bank near them; blog posts on the benefits of community banking; and articles on how community banks are leading the economic recovery.

VIEW THE VIDEOS

ICBA urges House to oppose 'true lender' repeal

ICBA and other groups today are urging House members to oppose a Senate-passed resolution to repeal the OCC's "true lender" rule.

Joint Letter: In a [joint letter](#) to the House ahead of a staff briefing on the issue, the groups said repealing the OCC rule would create significant legal impediments to creating a more robust framework for providing safe and affordable credit. Instead, the OCC should be allowed to modify the rule, they said.

Rule: The OCC rule, which ICBA supported in a [comment letter](#) last year, 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.

Congress: The Senate resolution, which the Senate passed by a 52-47 vote earlier this month, would repeal the rule under the Congressional Review Act, which allows lawmakers to invalidate federal rules and limits agencies' ability to issue a similar rule in the future.

ICBA online account opening directory gets IRS nod

The IRS promoted [ICBA's directory](#) of community banks that can open accounts remotely with a starting balance of \$25 or less.

More: The IRS included ICBA's directory in a [news release](#) on the agency's efforts to help individuals without a permanent address access federal benefits.

Join the Directory: Community banks can add their bank to ICBA's directory by [completing an online form](#).

Brainard: Developments sharpening Fed focus on CBDC

Federal Reserve Governor [Lael Brainard](#) said several developments are sharpening the Fed's focus on central bank digital currency, or CBDC.

Remarks: Brainard cited the growing role of digital private money, the migration to digital payments, plans for using foreign CBDCs in cross-border payments, and concerns about financial exclusion.

Paper: Fed Chair [Jerome Powell](#) last week said the Fed is planning a discussion paper for this summer on possibly issuing a U.S. CBDC.

Background: A new series on ICBA's [Main Street Matters](#) blog explains what CBDC is, how it compares to other digital assets, and why central banks are pursuing it. [Read the latest post](#).

Nebraska approves special-purpose charter

The Nebraska legislature [approved](#) a bill to establish a state charter for special-purpose depository institutions, or SPDIs, sending it to the governor to be signed into law.

Bill: The Nebraska Financial Innovation Act defines and establishes chartering criteria for digital asset depository institutions headquartered in the state.

Precedent: The Nebraska charter is similar to [Wyoming's](#) SPDI law, under which the crypto exchange Kraken was chartered.

ICBA Position: ICBA has [called on](#) Congress to intervene in the creation of new limited-purpose bank charters and [urged](#) the Federal Reserve Board to delay granting non-traditional entities access to the payments system until it has adopted a uniform policy.

ICBA to Congress: Continue 'stepped-up basis' tax policy

ICBA and other groups told Congress they unequivocally support the continuation of the "stepped-up basis" tax policy whereby the basis of assets held in an estate are reset and any capital appreciation during the decedent's lifetime is not subject to tax.

Letter: In a [joint letter](#) to congressional tax writers, the groups shared a study from EY that found repealing this tax policy—as the Biden administration has proposed in its American Families Plan—would cost the nation 80,000 jobs in each of the first 10 years and decrease the U.S. GDP by \$100 billion over 10 years.

ICBA Policy: ICBA supports preserving stepped-up basis with no realization of capital gains at death and repealing the estate tax, which taxes the value of an estate at the time of death. ICBA will continue working with Congress and the Biden administration on tax proposals affecting community banks.

FROM OTHER SOURCES

- Moderna on Tuesday [announced](#) that its coronavirus vaccine was found to be safe and 100% effective at protecting against COVID-19 in a Phase 3 trial of more than 3,700 participants between the ages of 12 and 17. Moderna CEO Stéphane Bancel said the company plans to submit its data to global regulators in early June, paving the way for an emergency use authorization for adolescents.
- [The United States is on the verge](#) of hitting a couple of major COVID-19 vaccination milestones. Meanwhile, after a steady month of declines, the rate of inoculations has begun to tick upward again.
- Americans are rushing back out into life, despite profound distrust of strangers' honesty about being vaccinated, Axios managing editor Margaret Talev [writes](#) from the [Axios/Ipsos Coronavirus Index](#). Only one in five adults said the CDC has been "very clear" in its updated guidance. Half said it's "somewhat clear," while nearly one in three said it's not clear. Among those who've been vaccinated, 47% say they're still wearing a mask at all times outside the home, a steep drop from 65% two weeks ago. [Keep reading](#).
- After a year of lockdowns and stay-at-home orders, Americans are ready for a vacation. For months, travel experts have marked this summer as a turning point for the industry and the data indicates they are right. Morning Consult's Summer Travel Series takes an in-depth look at [Americans' desire to travel](#), how they are [planning their vacations](#), where they'll stay [what they'll spend](#), how [European consumers](#) plan to travel this summer, and how [influencers are the new travel agents](#) for Millennials and Gen Z. 65% of U.S. adults said they're planning to travel within the country at least once between June and September, 28% intend to travel in the country multiple times this summer. 43% of summer travelers said they plan to spend more than \$1,000 on their trips.
- Consumer Confidence Dips After Four Months of Improvements. "Morning Consult's" measure of consumer confidence dropped in mid-May, as consumers noticed a stalling economic recovery from the coronavirus pandemic, rebounding somewhat toward the end of the month. [Consumer Confidence Falls Despite Success in Fighting the Pandemic](#). More takeaways [here](#).
- Many states that faced devastating shortfalls in the depths of the pandemic recession now find themselves flush with tax revenues because of a rebounding economy and a soaring stock market. Lawmakers who worried about budget cuts are now proposing lucrative increases in school spending, tax cuts and direct payments to their residents. That's raising pressure on President Biden to repurpose hundreds of billions of dollars of federal aid approved this year, to help fund a potential bipartisan infrastructure deal.
<https://www.nytimes.com/2021/05/25/business/economy/republicans-biden-infrastructure->

[federal-aid.html?mkt_tok=ODUwLVRBQS01MTEAAAF9QI4LUq_Y2I0vnYYUgXuIqZrE1fWuBPhjzveomBusjLWOt0Jz06R9571w7qoG-bPm2PrUZdssD4kOFX42EXmuidaYwAsH9MytMCbG3a7kS_oS](https://www.federal-aid.html?mkt_tok=ODUwLVRBQS01MTEAAAF9QI4LUq_Y2I0vnYYUgXuIqZrE1fWuBPhjzveomBusjLWOt0Jz06R9571w7qoG-bPm2PrUZdssD4kOFX42EXmuidaYwAsH9MytMCbG3a7kS_oS)

- The total number of loans in forbearance managed to fall three basis points last week to 4.22% of servicers' portfolio volume, according to a report from the Mortgage Bankers Association. A drop-off in the number of exits did mark a slower decline than in recent weeks, however, Monday's data still marks three consecutive months of downward trend for forbearance volume. https://www.housingwire.com/articles/mortgage-forbearance-drops-third-month-mba/?mkt_tok=ODUwLVRBQS01MTEAAAF9QI4LX5CFH2fofs9egJFVyNORNTYIyXEWfud2HqytDnmDVh9uuQ1TzTq277dy09M1piTCULbJ5H-XBCP8q9gf7hBBY9C6aGPIoZ4kmRyaPdBn
- The cost of school closures reaches into the trillions when you factor in long-term economic damage, [Axios Future](#) author Bryan Walsh [writes](#). Researchers at the Wharton School of the University of Pennsylvania [calculated](#) that learning loss from school closures will reduce U.S. GDP by 3.6% and hourly wages by 3.5% by 2050. That's a result of lowered labor productivity in the workers of tomorrow, to disrupted education and [inferior](#) remote learning. [Keep reading](#).
- Democrats in Congress plan to ask bank chief executives about the banks' stock buybacks and employee rewards programs and whether those have been prioritized over the amount of money being spent to support the real economy, when the executives testify in Congress this week. Sen. Elizabeth Warren (D-Mass.), a member of the Senate Banking Committee, said the hearings would be "fun" for lawmakers. ([Bloomberg](#))

FROM NEW YORK

- Governor Cuomo reported yesterday that COVID hospitalizations in the state dropped to 1,305, the lowest since November 4. Of the 85,019 tests reported yesterday, 929, or 1.09%, were positive. The 7-day average percent positivity was 0.90%. There were 303 patients in ICU yesterday, down 12 from the previous day. Of them, 185 are intubated. 14 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. New York administered 18,441,242 total doses, with 54.9% of adult New Yorkers having completed their vaccine series, and 63.7% have completed at least one vaccine dose. See additional data on the State's [Vaccine Tracker](#).
- Schools in New York state can fully reopen by September based on the current rate of COVID-19 positive numbers in the state, Gov. Andrew Cuomo on Monday said. [Read More](#)
- New York will 'encourage' but not require children aged 2 and over to wear masks in childcare settings, including summer camps, following days of protests about the directive, including from county officials who pledged they would not enforce the mandate. <https://www.timesunion.com/news/article/New-York-rescinds-mask-requirement-for-children-16200207.php?IPID=Times-Union-HP-CP-Spotlight> [Read More](#)
- New Jersey is [lifting its mask mandate after having been one of the few holdouts](#) in adopting the latest CDC guidance, Gov. Phil Murphy announced today. Murphy's new directive, which takes effect Friday, the start of the Memorial Day weekend, gives New Jersey residents — even those who aren't fully vaccinated — the green light to remove their masks and other face coverings in most cases.
- After years of debate and months of negotiations, the New York City Council is poised to vote on legislation this week to drastically increase the value of the city's rental assistance vouchers for New Yorkers experiencing homelessness, [NY1 reports](#).

###

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)