

Tuesday, May 5, 2021
To: New York Community Banks

FROM ICBA

PPP general fund exhausted

The Paycheck Protection Program's general fund was reportedly exhausted Tuesday ahead of the program's May 31 authorization, though some PPP funds remain for certain loans and lenders.

Details: While the SBA hasn't yet released public figures, remaining PPP funds reportedly break down as follows:

- Roughly \$6 billion reserved for loans with hold codes.
- Roughly \$8 billion set aside for certain community financial institutions

Background: Under the Economic Aid Act, community financial institutions include Community Development Financial Institutions, Minority Depository Institutions, Certified Development Corporations, and certain microloan intermediaries.

More: More PPP information and resources are available on the [SBA](#) and [Treasury](#) sites and ICBA's [PPP and EIP News](#) page.

PPP AND EIP NEWS

Postal banking won't deliver: letter

While increasing financial inclusion and improving U.S. Postal Service financial stability are worthy goals, postal banking would accomplish neither, Pennsylvania Association of Community Bankers President and CEO Kevin L. Shivers wrote.

Response: In a [letter to the editor](#) responding to a Pittsburgh Post-Gazette editorial endorsing postal banking proposals, Shivers said:

- The postal service's footprint is small compared to financial institutions.
- Its poor financial condition leaves it ill-equipped to handle financial services.
- It would involve a too-big-to-fail institution and displace community banks.

Alternatives: Instead, policymakers could more successfully expand access to financial services by supporting de novo formation, Minority Depository Institutions, and rural lending, Shivers wrote.

ICBA Position: ICBA has consistently opposed postal banking, including in an [open letter to Congress](#) earlier this year.

CFPB reports on mortgage borrower challenges

The Consumer Financial Protection Bureau said more needs to be done to help mortgage borrowers coping with the COVID-19 pandemic and economic downturn.

Borrowers: The [first report](#) documents that Black and Hispanic mortgage borrowers are more likely to be delinquent or in a forbearance program than White borrowers.

Complaints: In a [second report](#), the CFPB said overall mortgage complaints to the CFPB have risen to their highest level in three years.

Proposal: The CFPB [has proposed](#) prohibiting servicers from starting foreclosure until after Dec. 31. ICBA is reviewing the proposal—which exempts small servicers—and will submit comments by the May 11 deadline.

FROM OTHER SOURCES

SBA Breaking News Update: PPP General Funding Exhausted, CFI Funding Still Available

The below update from SBA is the most current information we have on PPP. We have no further information at this time.

Please know as additional information is provided we will send it out as soon as possible. We fully appreciate your patience in the interim.

After more than a year of operation and serving more than eight million small businesses, funding for the bi-partisan Paycheck Protection Program has been exhausted. The SBA will continue funding

outstanding approved PPP applications, but new qualifying applications will only be funded through Community Financial Institutions, financial lenders who serve underserved communities. The SBA is committed to delivering economic aid through the many COVID relief programs it is currently administering and beyond.

Per the Economic Aid Act, a Community Financial Institution (CFI) is one of the four types of lenders.

- Community Financial Development Institution (CDFI)
- Minority Depository Institution (MDI)
- Community Development Corporation (CDC)
- Microlender Intermediary

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- **President Joe Biden announced Tuesday afternoon** a goal of having 70% of the U.S. adult population get at least one vaccine shot by July 4 and outlined a new federal strategy that aims to improve access to the shot as a way to maintain the vaccination rate in the coming months.
- Vaccinated Americans are easing up on wearing masks — but so are unvaccinated Americans, Axios managing editor David Nather [writes](#) from a new [Ipsos poll](#). Overall, 57% of the respondents said they still wear a mask at all times when leaving the house. 47% of unvaccinated Americans say that. [Share this story](#).
- Treasury Secretary Janet Yellen insisted that she is not concerned about the risks of economic overheating hours after her earlier comments about inflation caused a brief panic on Wall Street and invited fresh scrutiny about the White House's position, [The Washington Post reports](#).
- Fed Chair Jerome Powell and vice chairs Richard Clarida and Randal Quarles could all potentially be replaced in the coming year, depending on how much President Biden wants to reshape its leadership. Powell's term as chair expires in February 2022. Clarida's term as a Fed governor expires the month before and Quarles' tenure as vice chair for supervision ends in October this year. While Fed chairs always matter, the choice right now is even more critical. https://www.bloomberg.com/news/articles/2021-05-05/biden-s-fed-choices-add-uncertainty-for-inflation-wary-investors?mkt_tok=ODUwLVRBQS01MTEAAAF822H7mxhEQJPFLdcQx3ha2V-O41Kpa74cZbb4vIdBwEqQ8eBETbakvMLChclTLKFeojHP_i-4N9z-eGcjdVBsw9zm2PeV2Cdl9YKvgZ6MJ-eO
- New York Rep. Elise Stefanik (R-North Country) is gaining the backing of fellow Republicans to replace Rep. Liz Cheney in a key leadership position within the GOP caucus. [Read More](#)
- American factories can't find enough people to do the work. Even though US manufacturing activity [surged to a 37-year high](#) in March, the industry has more than half a million job openings. Factories are struggling to find skilled workers for specialized roles such as welders and machinists. Manufacturers are even having trouble hiring entry-level positions that do not require expertise. https://www.cnn.com/2021/05/04/economy/manufacturing-jobs-economy/index.html?mkt_tok=ODUwLVRBQS01MTEAAAF822H7nAyUxpSA114PJLNMnf5F_eWomv_bSMGQ78ODFk95FZxv4OSjNFykR11O03e5YC6_-xPCgNKjRn_iCF-2Moa92s8c2QCK2JLvIaQLtj1F
- According to a new report, consumers in March 2021 submitted more mortgage complaints to the CFPB than in any month since April 2018. Within those complaints, mentions of forbearance and related terms reached their highest monthly average since March and April of 2020, while the number of borrowers who reported struggling to make payments also rose. https://www.housingwire.com/articles/mortgage-complaints-hit-three-year-high-cfpb-says/?mkt_tok=ODUwLVRBQS01MTEAAAF822H7nJweji0m94JctppQbJ9UzBxRLyRm7wlsq

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- A new Morning Consult/Politico poll found that 58% of registered voters support President Biden's \$1.8 trillion economic spending plan, and that many of the individual provisions included in the package saw even higher levels of support. Ensuring that low- and middle-income families pay no more than 7% of their income on childcare and providing free preschool to all 3- and 4-year-olds were the most popular measures, with backing from 64% and 63% of voters, respectively. [Check out the full story here.](#)

FROM NEW YORK

- Governor Cuomo reported Tuesday that COVID hospitalizations were at 2,573. Of the 96,747 tests reported yesterday, 2,173, or 2.25%, were positive. The 7-day average percent positivity rate was 1.76%. There were 625 patients in ICU yesterday, up 12 from the previous day. Of them, 381 were intubated. 39 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>
- As of yesterday, New York had administered 15,882,018 total vaccine doses: 46.9% of New Yorkers had completed at least one vaccine dose, and 35.7% of New Yorkers had completed their vaccine series. See data by region and county on the State's Vaccine Tracker: <ny.gov/vaccinetracker>.
- The sudden decision to reopen leaves New Yorkers “dizzy and divided.” New York, New Jersey and Connecticut will all reopen in two weeks, and some residents are exhilarated, while others are dubious. <https://www.nytimes.com/2021/05/04/nyregion/new-york-reopening-reaction.html>
- The number of New York City residents getting their first dose of the COVID-19 vaccine has plummeted by two-thirds in recent weeks — even though just half of eligible residents have gotten a shot so far, Health Department data shows. <https://nypost.com/2021/05/04/new-data-shows-massive-slowdown-in-nyc-covid-19-vaccinations/>
- New York is planning a broad reopening in the coming weeks after more than a year of COVID-19-related restrictions on public gatherings. A coalition of arts and culture venues this week, however, raised concerns about the need for specifics. [Read More](#)
- In a letter to state lawmakers yesterday, the top official at the state agency charged with overseeing and maintaining the New York State Capitol said a planning process is underway for the building's potential reopening. [In the letter obtained](#) by Spectrum News, Office of General Services Commissioner RoAnn Destito wrote the public health and safety requirements for the building are currently being reviewed.
- As variants of the coronavirus develop and as the pace of vaccinations runs into resistance, areas of turbulence remain – but with New York announcing a “major reopening” this month, it’s definitely a corner turned, [The Buffalo News writes.](#)
- A new report found that students in New York's primarily Black and Latino school districts this past fall were around four times more likely not to have adequate internet access and more than three times less likely to have a dedicated device than students in largely white school districts, [Gannett Albany reports.](#)
- A new survey found that half of New York City’s minority- and women-owned businesses have had to lay off or furlough employees since the start of the pandemic, suggesting that MWBE owners’ pandemic experiences mirrored those of workers of color, [the Daily News reports.](#)
- The SBA told lenders and their trade groups it has stopped accepting most new applications for the Paycheck Protection Program after tapping almost all of the \$292 billion Congress appropriated for the program's latest round of loans. The PPP's application deadline was scheduled to end May 31, though about \$8 billion remains for community financial institutions and will reportedly continue to be processed until the funds are exhausted. ([The New York Times](#))
- For the [second year in a row](#), U.S. Rep. John Katko (R-Central New York) has been ranked as the second-most bipartisan member of Congress. The rankings are generated by the Lugar Center,

a nonpartisan think tank, and Georgetown University's McCourt School of Public Policy. Each member of Congress is scored based on how many members of the opposite party co-sponsor their bills and how often they co-sponsor a bill introduced by someone who belongs to the other party. https://auburnpub.com/news/local/govt-and-politics/rep-john-katko-repeats-as-second-most-bipartisan-member-of-congress/article_76d4c19c-cef2-539c-b20c-9bafa7fbf3ab.html

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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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