

Thursday, May 6, 2021  
To: New York Community Banks

## FROM ICBA

### **Fed proposes standards for accessing Fed accounts, payments system**

The Federal Reserve Board [proposed guidelines](#) for evaluating requests for accounts with the Fed and access to the payments system, as advocated by ICBA.

**Details:** The guidelines contain six principles to help the Reserve Banks consistently evaluate such requests. The Fed said the guidelines are consistent with its policy goals, including promoting the safety and soundness of the banking system.

**Background:** The Fed cited an increasing number of access requests from non-traditional charter types that raise interpretive and policy issues.

**ICBA Position:** Responding to Kraken Financial's request for a Fed account, ICBA and other groups [called on](#) the board to delay granting non-traditional entities access to the payments system until it has adopted a uniform policy.

**Next:** ICBA will submit comments to the Fed, which are due 60 days after publication in the Federal Register.

[READ ICBA LETTER](#)

### **Treasury extends MDI, CDFI program**

The Treasury Department extended its program to invest in Minority Depository Institutions and Community Development Financial Institutions, as requested by ICBA.

**Details:** Treasury's [Emergency Capital Investment Program](#) webpage says the program deadline has been extended 60 days from May 7 until 11:59 p.m. (Eastern time) Tuesday, July 6.

**Background:** The ECIP will invest \$9 billion in MDIs and CDFIs to support low- and moderate-income and minority communities.

**ICBA Position:** ICBA last month [urged Treasury](#) to extend the deadline given the relatively recent release of guidance on the program. House Financial Services Committee Chairwoman Maxine Waters (D-Calif.) and Sen. Mark Warner (D-Va.) have also [requested](#) an extension.

### **IRS issues another 1.1M EIPs**

The [IRS said](#) it is disbursing another 1.1 million Economic Impact Payments in the eighth batch under the American Rescue Plan.

**New Batch:** The latest batch—which has a total value of more than \$2 billion—began processing April 30 with an official payment date of May 5.

**Total:** The new batch brings the current round of EIPs to approximately 164 million payments worth roughly \$386 billion. The IRS said it will continue making EIPs on a weekly basis.

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

### **Bowman: Expect inflation to grow in coming months**

Federal Reserve Governor Michelle Bowman [said](#) she expects headline inflation measures to move above the Fed's 2 percent long-run target over the next several months. Bowman cited the move away from low inflation numbers during last year's economic contraction, the unusually rapid rebound in economic activity, and supply-chain bottlenecks that have pushed up prices for many goods.

## Private sector adds 742K jobs in April

The private sector added 742,000 jobs in April, according to [ADP](#). Small businesses added 235,000 jobs, while midsized and large businesses added 230,000 and 277,000, respectively.

### FROM OTHER SOURCES

- The Centers for Disease Control said coronavirus infections could be driven to low levels and the pandemic at least temporarily throttled in the United States by July if the vast majority of people get vaccinated and continue with precautions against viral transmission, [The Washington Post reports](#).
- [Moderna released data](#) from an early human trial which showed that a booster shot of its COVID-19 vaccine creates immunity against two variants of concern: B.1.351, first identified in South Africa, and P.1, first identified in Brazil.
- A federal judge ruled that the Centers for Disease Control and Prevention overstepped its legal authority by issuing a nationwide eviction moratorium, a ruling that could potentially affect millions of struggling Americans, [The Washington Post reports](#).
- Brian Deese, Director of the White House National Economic Council, has alerted President Biden's economic team about the inability of businesses such as restaurants, construction companies and others to find enough workers for the rates they're offering. Treasury Secretary Janet Yellen has reportedly privately warned against overreacting to anecdotes about worker shortages. Jared Bernstein, a member of the White House Council of Economic Advisers, said economists expect to see "some wage pressure" as the job market tightens. ([The Washington Post](#))
- The top two House Republicans, former President Trump and several other GOP members have thrown their support behind New York Rep. Elise Stefanik (R-North Country) to replace Rep. Liz Cheney in Republican leadership, [the Times Union reports](#).
- In the latest update to *Morning Consult's* "Return to Normal" tracking data, millennials are the generation most comfortable with returning to their regular routine, with 62 percent saying that they're ready to get back to normal, 6 percentage points higher than last week. [Read more](#).

### FROM NEW YORK

- Governor Cuomo announced today that Broadway, a beacon for tourists and an engine for New York City's economy, will start selling tickets for full-capacity shows, with some performances starting Sept. 14, [The New York Times reports](#).
- Governor Cuomo announced that baseball fans who have been fully vaccinated against the coronavirus will soon be able to enjoy seating arrangements without social distancing at Yankee Stadium and Citi Field, [the Times reports](#).
- Governor Cuomo reported on Wednesday that New York has extended legislation that provides critical support to homeowners and business owners experiencing hardship due to the pandemic. The "COVID-19 Emergency Eviction and Foreclosure Prevention Act of 2020" and the "COVID-19 Emergency Protect Our Small Businesses Act" [will be extended](#) until August 31. Current protections prohibiting residential and commercial evictions, foreclosure proceedings, credit discrimination and negative credit reporting related to the COVID-19 pandemic will continue.
- Governor Cuomo also reported that COVID hospitalizations dropped to 2,458, the lowest since November 21. Of the 165,597 tests reported yesterday, 2,463, or 1.49%, were positive. The 7-day average percent positivity was 1.71%, the lowest since November 4. There were 610 patients in ICU yesterday, down five from the previous day. Of them, 379 are intubated. 31 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>
- New York had administered 16,071,788 total doses. 45.6% of adult New Yorkers had completed their vaccine series, while 58.8% had completed at least one vaccine dose. See additional data on the State's [Vaccine Tracker](#).

- With COVID-19 rates dropping and vaccinations proceeding, Senate Majority Leader Chuck Schumer is calling on top federal officials to develop a plan with their Canadian counterparts to reopen the northern border as soon as possible [the Times Union reports](#). The northern border has been closed since March of last year, with the U.S. and Canadian governments extending the ban for non-essential travel month to month. "The monthly extensions which we've read about, heard about every month, have no rhyme or reason," Schumer said. "They confuse people. They don't let people plan. They frustrate thousands of Western New Yorkers and Southern Ontarians who depend on the border crossing." [Read more](#).
- A bill that requires workplaces to have COVID-related safety measures in place was signed into law on Wednesday night by Governor Cuomo. But the approval of the bill came with an agreement with Democrats in the state Legislature that amendments would be added in the coming weeks to provide businesses with a clear timeline for fixing violations before being immediately at risk of a lawsuit. [Read More](#)
- The panel that sets rents for more than two million rent-stabilized New York City tenants signaled that it may again freeze rents for some of them, a move that would be a boon to tenants but a blow to landlords as both camps scrape by amid the coronavirus pandemic, [The New York Times reports](#).
- The coronavirus variant first discovered in New York City does not appear to be leading to more severe infections, or causing re-infections at a significantly higher rate than older forms of the virus, [the Times 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.**

- **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))**