

Tuesday, June 1, 2021
To: New York Community Banks

FROM ICBA

PPP funding exhausted as loan application deadline passes

The Paycheck Protection Program closed to new loan applications more than a year and several iterations after the emergency program was enacted.

Funding: In a call Friday, SBA officials said they expected PPP funds to be exhausted before yesterday's deadline, though the agency is withholding some funds to accommodate loans with remaining hold codes that need resolution. SBA has until June 30 to complete processing loan approvals.

Guarantee Guidance: The officials also said the SBA expects to soon issue procedural guidance on when and how lenders can ask the agency to purchase loans pursuant to its guarantee. Claims will be submitted through the lender platform.

Forgiveness Requests: Further, the SBA is working to further streamline and expedite the processing of forgiveness requests with a goal to process all requests within 30 days of receipt, according to the officials.

More: Additional PPP information is available on ICBA's [PPP Resources page](#).

Fed proposes changes to intraday credit policy

The Federal Reserve Board [requested public comment](#) on proposed changes to its policy governing the provision of intraday credit, or daylight overdrafts, to healthy institutions with accounts at the Federal Reserve Banks.

Background: The Payment System Risk policy establishes limits on the value of an institution's uncollateralized daylight overdrafts, which occur when a depository institution's Federal Reserve account is in a negative position during the business day.

Proposed Changes: The proposal would (1) expand access to collateralized capacity, and (2) clarify the terms for accessing and retaining uncollateralized capacity. Comments are due within 60 days of publication in the Federal Register.

Fed updates coin order caps

The Federal Reserve updated its [coin order caps](#) for orders placed Friday, May 28, for pick-up today, June 1.

Updates: The Fed lowered order limits for nickels, dimes, and quarters while continuing to allow unlimited orders of pennies.

Contact: Questions can be directed to local FedCash Services customer support representatives or Federal Reserve account executives, with more information on the [Fed's Contact page](#).

Task Force: The [U.S. Coin Task Force](#), on which ICBA serves, continues working to identify solutions to coin circulation supply chain challenges brought on by the pandemic.

FDIC issues CRA exam schedule

The FDIC [issued](#) the lists of institutions scheduled for Community Reinvestment Act exams during the third quarter and fourth quarter 2021. The schedules are based on the best available information and are subject to change.

Personal income falls as spending, inflation rise

Personal income [decreased](#) by 13.1 percent in April as the impact of Economic Impact Payments faded, the Commerce Department reported. Consumer spending increased 0.5 percent, while the PCE price index of consumer inflation increased 0.6 percent.

Consumer sentiment declines in May

Consumer sentiment [decreased](#) 6.1 percent in May from the previous month but remained up 14.7 percent from a year ago, according to the University of Michigan's survey of consumers. The survey's chief

economist said the resurgent strength of the economy produced more immediate gains in demand than supply, causing consumers to expect a surge in inflation.

FROM OTHER SOURCES

- Americans are shedding their masks, buying concert tickets and booking vacations like it's 2019. But there's one thing that doesn't appear to be going anywhere as the pandemic fades: remote work. https://www.bloomberg.com/news/articles/2021-06-01/americans-are-done-with-5-days-a-week-in-the-office-here-s-what-that-means-for-the-economy?mkt_tok=ODUwLVRBQS01MTEAAAF9ZnYLxUyvwJfYGvZZ1c3XrEwqT14NCWgfzoDrV19aoTzMKJsBRs_xdqB1KFLMIVj9YLOrya_yTWABH3KNoym8UubaLNyIEAFDthuvx5BjPjrs
- The Transportation Security Administration reporting that more than 1.65 million people were screened at United States airports on Sunday, an increase of 368% over last year, when just 352,947 people traveled through American airports. AAA officials estimating that more than 37 million Americans traveled for the holiday weekend, 12 months after lockdown restrictions put a dampener on the holiday weekend in 2020. It was still down 35 percent from the number of people traveling at the same time in 2019, before the pandemic. Friday was the busiest travel day at airports since the start of the pandemic last year, records show. <https://www.dailymail.co.uk/news/article-9638167/More-1-65-million-people-screened-airports-Memorial-Day.html>
- The federal government's Paycheck Protection Program closed to new applications Friday as funding was on track to be exhausted. That marked the end of a \$961 billion emergency effort that helped millions of small businesses survive the pandemic but was dogged by fraud claims and criticism that it didn't reach the neediest businesses. https://www.wsj.com/articles/the-paycheck-protection-program-closes-to-new-applications-11622310265?mkt_tok=ODUwLVRBQS01MTEAAAF9ZnYLxY72Xw-bhUdtjaksAVcT0kb1-MLAbY6gm9Cs2mmzvM4lAnn74YZPjj9aCxsJYUYGn3ICx8wq3jc35xA5gY735c3rUZEZg5X_x1_LcJoX
- Friday's jobs report is shaping up to be a pivotal data release for the Federal Reserve as it charts a plan for ending the easy-money policies that have propped up the economy and markets for more than a year. The May report will help central bankers understand two key questions that now dominate their attention. https://www.wsj.com/articles/jobs-report-could-be-pivotal-for-federal-reserve-11622383200?mkt_tok=ODUwLVRBQS01MTEAAAF9ZnYLxU4B2r07a_uW1jHZg_PTISFmdrgQ95D9j89AV_huIsmB7Sa8mez8QfK8ap-0EFgMtnqiesz5Jq-5Id66bjktWA99D1L-ftx7OOhA6ITS
- After a prolonged period of anemic sales since the housing bust, home builders now risk losing business because they can't supply enough inventory. Home prices have shot up 11.3 percent over the past year, according to CoreLogic, keeping many people out of the market. Just as notable as the level of new construction is where it is taking place: developers are racing to build homes in areas that buyers used to judge beyond the outer limits of an acceptable commute. After a year of lockdowns and a push to continue working from home as the pandemic wanes, the preference for closer-in living has weakened. https://www.nytimes.com/2021/05/29/business/economy/new-home-building-suburbs.html?mkt_tok=ODUwLVRBQS01MTEAAAF9ZnYLxb_W2vx2UT44UX2rQluKgV8tzRVXN3uxdzOqSwMU4GmhPLE9w0Yh9Tu1JB37Gw-Jsnt7pNA5hBd_-eyvCIAk6cKYmQkTbCxavij-Jr5
- Owners of closely held businesses would still get a 20% tax deduction under President Biden's tax plan, leaving high-income people who run construction companies and manufacturing firms benefiting-for now-from a provision that Republicans created in 2017 over Democratic opposition. The deduction went untouched in the first \$2.4 trillion worth of net tax increases that were detailed by the Biden administration on Friday.

- Acting Comptroller of the Currency Michael Hsu said there's interest among regulatory agencies in coordinating regulation relating to cryptocurrency. Hsu said the goals of an interagency group, including officials from the OCC, the Fed and the FDIC Office of the Comptroller of the Currency, is to "put some ideas in front of the agencies to consider," rather than make policy. ([Financial Times](#))
- Congress is in recess this week.

FROM NEW YORK

- Governor Cuomo announced that New York state hit a new COVID-19 low, with just 0.67% of coronavirus tests yielding positive results in the past week, a seven-day average that is the lowest since the pandemic began, [the New York Post reports](#).
- The midnight curfew on indoor dining [ended Monday night](#).
- [The pace of vaccinations in New York](#) are plummeting despite the incentives being offered.
- New York State's [Excelsior Pass](#) introduced in March is the first and only government-issued vaccine passport in the country. For now, it accessible only to those who have been vaccinated in the state. Officials are hoping that it can help New Yorkers feel confident about the safety of businesses and jump-start a statewide economy still reeling from losses experienced during the pandemic. More than 1 million Excelsior passes have been downloaded since they were introduced, and officials are hoping they will be adopted more widely: About 1.1 million Excelsior passes had been downloaded onto phones and computers as of last week, according to the state; [9.1 million](#) New Yorkers have been fully vaccinated. <https://www.nytimes.com/2021/06/01/nyregion/new-york-vaccine-passport.html>
- State workers in many agencies are still being required to wear masks and complete personal health assessments each time they go into work, despite those protocols having recently been eliminated in many other workplace settings, [the Times Union reports](#).
- Memorial Day brought a key milestone for restaurants that have struggled during the COVID-19 pandemic. May 31 marked the end of the indoor dining curfew for restaurants and bars in New York restrictions continue to loosen amid falling COVID cases across the state. [Read more](#).
- New Yorkers who fell back on their rent due to the COVID-19 pandemic can start applying for emergency rental assistance program Tuesday. Officials say they've allocated \$2.7 billion for the program statewide. Households with income at or below 80% of the area median income (AMI) — \$95,450 for a family of four in the city — can get up to 12 months of rental and utility arrears payments. <https://gothamist.com/news/new-york-states-application-process-to-begin-for-rent-owed-during-covid>
- State legislators in the coming days are expected to consider a range of bills that could affect the lives of New Yorkers. Looming over it all are the continued controversies facing Governor Cuomo, multiple investigations and a potential impeachment. There isn't a lot of time: The Legislature is scheduled to finish its work June 10. Here are five issues lawmakers are facing as they wrap up the final days of the 2021 session. [Read More](#)
- The final days of this year's legislative session may be less dramatic than in the past, but lawmakers still have lots to deal with before June 10, including legislation on the hot-button topic of police reform and the continued aftermath of the scandals that have enveloped Gov. Andrew Cuomo's administration. The Capitol's continued closure to the public has muted the usual end-of-session buzz and removed some of the public drama that usually accompanies the end of session. But it would be a mistake to conflate the relative quiet with inactivity. [10 issues to watch as the legislative session enters the homestretch](#)

- While the investigation into sexual harassment allegations against Gov. Andrew Cuomo has taken center stage, the other probes he's facing are quietly moving forward and widening, and the stakes are high for the third-term governor, [Newsday reports](#).
- From margaritas-to-go to marijuana deliveries to virtual doctor visits, the pandemic prompted states to ease rules to make life at home more bearable. But the looming end of emergency orders has teed up a lobbying frenzy in state capitals to make these Covid-era conveniences permanent fixtures in American life. <https://www.politico.com/news/2021/05/31/covid-rules-liquor-pot-telemedicine-491388?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317>

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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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