

Friday, June 11, 2021
To: New York Community Banks

FROM ICBA

IRS reporting plan creates new burdens: ICBA

ICBA continued its opposition to a Biden administration proposal that would require financial institutions to report information on account flows to the IRS.

Hearing: In a [statement](#) and [joint letter](#) to lawmakers for a House Ways and Means Committee tax [hearing](#), ICBA said the plan would:

- Create complex new reporting burdens.
- Expose banks to penalties for inadvertent errors.
- Channel more information into the IRS than it can process.

Background: The American Families Plan proposes requiring financial institutions to report to the IRS on account flows, including bank loans, on accounts over \$600. ICBA has strongly opposed the proposal since it was issued in April.

Debate: Before the hearing, five former Treasury secretaries from the Obama, Bush, and Clinton administrations endorsed the IRS proposals in a New York Times [op-ed](#). Senate Finance Committee Ranking Member Mike Crapo (R-Idaho) earlier this week expressed strong concerns.

New ICBA series challenges postal banking

ICBA this week told Congress that postal banking is not the solution to reaching more unbanked Americans.

Issue Brief: In the [first issue brief](#) in a three-part series, ICBA said community banks are committed to bringing all members of their communities into the banking system, but postal banking would merely jeopardize the U.S. Postal Service's core mission.

Next: Future ICBA issue briefs will focus on how the USPS is unfit for the inherent risk of financial services and how more realistic alternatives to postal banking would more successfully reach the unbanked. [Read the first brief.](#)

Farm Credit System loan volume jumps 10%

The Farm Credit Administration released its [quarterly report](#) on the ag economy and the performance of the Farm Credit System, whose growth is largely generated by tax free ag real estate lending.

Numbers: Gross loan volume has increased to \$321 billion—a jump of 10 percent over a year ago—while total FCS assets exceed \$400 billion.

Grassroots: ICBA is encouraging community bankers to [urge Congress](#) to support the Enhancing Credit Opportunities in Rural America (ECORA) Act (H.R. 1977), which would exempt from taxation interest income on farm real estate and rural mortgage loans. [Contact Congress now.](#)

FHFA seeks feedback on GSE executive compensation

The Federal Housing Finance Agency [requested input](#) on executive compensation at Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

Details: The FHFA said the request for information asks 25 questions designed to improve its ability to ensure the entities limit executive officers to reasonable and comparable compensation.

Background: The FHFA last reviewed executive compensation at the enterprises in 2012. Feedback is due by Aug. 9, and ICBA will submit comments.

USDA proposes updated housing program requirements

The USDA issued a Single-Family Housing Guaranteed Loan Program [proposed rule](#) to:

- Update the requirements for federally supervised lenders.
- Establish minimum net worth and experience requirements for non-supervised lenders.
- Amend the approved lender participation requirements.

More: The agency said the changes would improve oversight of program lenders and strengthen underwriting practices. ICBA is reviewing the proposal and may file comments, which are due by Aug. 9.

OCC mutual committee meeting this month

The OCC [said](#) its Mutual Savings Association Advisory Committee will meet on Tuesday, June 29. The MSAAC advises the OCC on ensuring the continued health and viability of mutual savings associations.

FROM OTHER SOURCES

- Moderna has filed with the US Food and Drug Administration for emergency use authorization for its Covid-19 vaccine for people ages 12 to 17, according to a news release from the company. Moderna's Covid-19 vaccine is currently authorized for people ages 18 and older. https://www.cnn.com/2021/06/10/health/moderna-vaccine-adolescent-eua-application/index.html?mkt_tok=ODUwLVRBQS01MTEAAAF9mhDHq2n2iKRnczc8ybXTAGi3syzpZEpZnlmnCcb7-wOos6BLt_H1Rej09KjKl-BQY_rbOeofR1b3HrTFyqBmNoM46qHW4o0plWR3p68MWWXy
- World leaders from the Group of Seven industrialized nations are set to commit at their summit to share at least 1 billion coronavirus shots with struggling countries around the world — half the doses are coming from the U.S....[Read More](#)
- The SBA has "essentially ousted" the leaders of a deeply troubled \$16 billion relief effort for live-events businesses, bringing in a new team to take over and fix the program. More than six weeks after the long-delayed program started taking applications, 14,000 businesses have applied for a Shuttered Venue Operators Grant. <https://www.nytimes.com/live/2021/06/10/business/economy-stock-market-news/sba-shuttered-venue-grants>
- News that consumer prices rose at their fastest pace in nearly 13 years in May, up 5% from a year ago, had the White House and the Federal Reserve expressing little concern while some Republican lawmakers sounded the alarm and urged the Fed and federal government to stop injecting large amounts of money into the economy. . . investors apparently accepted the Fed's argument that the inflation will be temporary and an expected consequence of the economy's reopening. [Politico](#)
- The U.S. budget deficit grew to a record \$2.1 trillion during the first eight months of the fiscal year as spending continued to outpace tax receipts that are rising as the economy recovers from the damage inflicted by the Covid-19 pandemic. https://www.wsj.com/articles/u-s-budget-deficit-grew-to-record-2-1-trillion-in-fiscal-year-s-first-eight-months-11623348001?mkt_tok=ODUwLVRBQS01MTEAAAF9mfMQRdYxYVnGSdGCP1APXNu3ih8KbI22U2gIjZ_AKquHr2HAeOGW6XVfr4xs0zaQ8TT_KaTulv3FnP4YnSzD4a6w6f66QneUWVS1YD082VQOk
- In a letter to the SEC, Senators Schatz (D-Hawaii) and Whitehouse (D-R.I.) urged the agency to require publicly traded companies to disclose greenhouse gas emissions data. The agency's chairman, Gary Gensler, has said the SEC could issue a new rule on the matter in the second half of the year. [Reuters](#)
- A comprehensive survey of the 200 highest-paid chief executives at public companies conducted for The New York Times by the executive compensation consulting firm Equilar revealed some

of the biggest pay packages on record and showed that the gap between C.E.O.s and everybody else widened during the pandemic. https://www.nytimes.com/2021/06/11/business/ceo-pay-compensation-stock.html?mkt_tok=ODUwLVRBQS01MTEAAAF9mfMQRG4ThoEi1Y-CkTL9NcaPBjUkspA7WB5xEQm-FqIGi9bSVfvtn-ktUej21xW8ldnYvtXD5vKhFTNWBn2CVJinyEwRdYdE0ThJTzIdXzS

- U.S. household wealth jumped to a record \$136.9 trillion at the end of March, a report from the Federal Reserve showed on Thursday, suggesting plenty of dry tinder for economic growth as the coronavirus pandemic recedes and the nation reopens. Rising equity markets drove the overall increase in wealth, adding \$3.2 trillion to household assets in the first quarter. https://www.reuters.com/world/us/us-household-wealth-rose-record-1369-trillion-q1-fed-says-2021-06-10/?mkt_tok=ODUwLVRBQS01MTEAAAF9mfMQWBkwrLiIRBj3rLbV_yarshtgG94ui97uCqvv2F7rbVE16M0pWUmcwBJsL8AntLj2pEowypo2R7QRZe-kzGWAahSburfmpvWzfeoDB

FROM NEW YORK

- Governor Cuomo reported that COVID hospitalizations were at 758. Of the 139,492 tests reported, 566, or 0.41%, were positive. The 7-day average percent positivity was 0.47%. There were 190 patients in ICU yesterday, down five from the previous day. Of them, 113 are intubated. Nine New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. New York had administered 19,820,785 total doses with 60.3% of adult New Yorkers having completed their vaccine series. 69.2% of adult New Yorkers have completed at least one vaccine dose, per the CDC. Once that reaches 70%, most remaining COVID restrictions will be lifted. See additional data on the State's [Vaccine Tracker](#).
- The six month-long legislative session in Albany concluded more or less as scheduled in the early hours of Friday morning, but state lawmakers have finished their work with an uncertain future ahead. . . But then again, nothing was certain this year in Albany, as Governor Cuomo faced months of growing controversy, calls for him to resign amid allegations of sexual harassment and now the pending developments of multiple investigations, including a federal probe into his administration's reporting of nursing home deaths. The story of state government, Cuomo and a Legislature dominated by Democrats played out on three screens this year. [https://nystateofpolitics.com/state-of-politics/new-york/politics/2021/06/11/nys-lawmakers-head-home-with-numerous-bills-still-on-the-table . . .](https://nystateofpolitics.com/state-of-politics/new-york/politics/2021/06/11/nys-lawmakers-head-home-with-numerous-bills-still-on-the-table...) [Read More](#). . Albany Times Union: [What a session](#).
- State lawmakers, keen to wrap up the legislative session, called it quits after spending hours at the negotiating table tweaking a controversial criminal justice proposal and a restructuring plan for the Metropolitan Transportation Authority backed by Cuomo, [the New York Post reports](#). . . [Read More](#)
- The Erie County Legislature voted to terminate the sweeping emergency spending authority handed to County Executive Mark Poloncarz a year ago, the latest sign that the COVID-19 health crisis is waning and that government can start getting back to business as usual, [The Buffalo News reports](#).
- Predominantly Black and Latino communities have seen some of the biggest increases in COVID-19 vaccination rates on Long Island, although they still tend to have fewer vaccinated residents than communities that are mostly white, [Newsday reports](#).
- The Canadian government is responding to pressure from the United States to open our common border, but if that urge doesn't turn into urgency, the United States should take matters into its own hands and welcome Canadians here, [The Buffalo News writes](#).

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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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