

Monday, June 21, 2021  
To: New York Community Banks

## FROM ICBA

### As acquisitions accelerate, ICBA urges credit union hearings

ICBA [reinforced](#) its call for Congress to investigate tax-exempt credit unions acquiring taxpaying community banks following a resurgence in interstate acquisitions.

#### Latest Acquisitions:

- Lake Michigan Credit Union—a low-income credit union in Grand Rapids, Mich., with \$10.4 billion in assets—is [buying](#) Tampa, Fla.-based Pilot Bancorp, a \$656 million-asset institution that specializes in financing private airplanes.
- GreenState Credit Union in North Liberty, Iowa—a low-income credit union with \$7.5 billion in assets—is [acquiring](#) community banks in Illinois and Nebraska worth \$730 million in assets and \$345 million in assets, respectively.

**Quote:** “These transactions—facilitated by a tax exemption that allows credit unions to make inflated purchase offers well above the book value of the acquired banks—are the latest to eliminate locally based lenders, further consolidate the banking industry, and cut regulatory safeguards for low- and moderate-income consumers,” ICBA President and CEO Rebeca Romero Rainey said in a [national news release](#).

**ICBA Advocacy:** ICBA is calling on Congress to:

- [Hold hearings](#) to review the role of the credit union tax exemption in fueling these transactions.
- [Request](#) a Government Accountability Office study on the evolution of the credit union industry and NCUA supervision.

#### [READ ICBA RELEASE](#)

### ICBA publishes Wake Up Messaging Playbook

ICBA recently published the [Wake Up Messaging Playbook](#) to provide ICBA members with guidance on effectively advocating a fair and level playing field between community banks and credit unions.

**Details:** The result of comprehensive market and opinion research to inform effective credit union messaging, the member-exclusive playbook provides candid insights from policy influencers, community bankers, and the general public on raising awareness of the credit union issue.

**More:** The playbook and numerous other resources—including customizable communication resources, state-by-state reports on the credit union impact, and more—are available on [ICBA’s Wake Up resource center](#).

### CFPB issues statement on Juneteenth mortgage closing impact

The [Consumer Financial Protection Bureau](#) said it is aware of concerns about how the new Juneteenth federal holiday affects mortgage lender compliance with the Truth in Lending Act and TILA-RESPA Integrated Disclosure timing requirements.

In a statement, the CFPB said:

- It recognizes that some lenders did not have sufficient time after the holiday declaration to consider whether and how to adjust closing timelines.
- It understands that some lenders may delay closings to accommodate the reissuance of disclosures adjusted for the holiday.
- The TILA and TRID requirements generally protect creditors from liability for bona fide errors and permit redisclosure after closing to correct errors.

- Any guidance ultimately issued by the CFPB would account for the limited implementation period before the holiday and would be issued after consultation with other regulators.

### **Agencies respond to Juneteenth holiday designation**

Federal banking regulators responded to President Joe Biden's signing of the Juneteenth National Independence Day Act, which closed most federal offices today.

**Background:** The [new law](#) designates June 19 as a federal holiday in recognition of the enforcement of the Emancipation Proclamation.

**Fed Services:** Federal Reserve Financial Services will operate normally today and Monday, the [Federal Reserve Board said](#).

**More:** The Fed said providing payment services, including fulfilling orders for currency and coin, is standard practice for any federal holiday that falls on a Saturday. Status updates are available on the [Fed Financial Services site](#).

**Agency Offices:** However, the Fed Board and [OCC](#) said their Washington offices will be closed today in observance of Juneteenth.

**Bank Operations:** In a [separate notice](#), the FDIC said supervised institutions should comply with state chartering requirements and consider the impact on customers when determining their operating status today.

**Mortgage Considerations:** An [advisory](#) from the Alston & Bird law firm spotlights the consequences of the new holiday on mortgage transactions that are anticipated to close in the coming days.

### **HMDA relief reflected in 2020 reporting data**

The Federal Financial Institutions Examination Council [released](#) 2020 Home Mortgage Disclosure Act data showing the impact of regulatory relief on HMDA reporting.

**Reporting:** The FFIEC said that among the 22.7 million reported home loan applications, 20.4 million were closed-end, 1.7 million were open-end, and 563,000 were not reported either way due to the S. 2155 regulatory relief law's partial exemptions.

**Institutions:** Further, reporting institutions decreased by roughly 18.8 percent from the previous year to 4,475. The decline was largely due to the Consumer Financial Protection Bureau's ICBA-advocated 2020 final rule quadrupling the HMDA reporting threshold for closed-end mortgage loans from 25 to 100 loans.

### **State regulators seek community bank survey responses**

The Conference of State Bank Supervisors is seeking community bank responses to its 2021 national research survey. Responses to the 20-minute survey are vital to the annual Community Banking in the 21st Century Research and Policy Conference, scheduled for Sept. 28-29 in St. Louis. [Take the survey](#).

## **FROM OTHER SOURCES**

**IBANYS received the following notice from the SBA, and wanted to share it with New York community banks.**

This is a reminder that the Fiscal Transfer Agent (FTA) of the 7(a) Loan Program is changing from Colson Services to Guidehouse. *One of the changes included with the migration will be the method for monthly 1502 reporting.*

**[Please whitelist the email address of "fta@sba.gov"](#) and watch for more details: notifications on where to send future remittances and how to complete 1502 reporting will be forthcoming in a subsequent communications.**

The incoming FTA was contracted by SBA to support a migration of 7(a) program systems and applications to the SBA's Capital Access Financial System (CAFS). This will improve security, integration, and the user experience with a single-sign-on (SSO) for all program functions, real-time reporting capabilities, and improved reporting features and validation to improve accuracy. The migration of systems is projected to be complete in August 2021 and will result in changes in how program stakeholders access, complete, and submit program forms, reports and information (please go the to FTA Wiki page "Downloads" area for the Timeline handout\*.

**Please visit and bookmark the new FTA webpage "Wiki": [FTA Wiki \(sba.gov\)](#)**

**\*Information and resources on forthcoming changes are available on the [FTA Wiki's Downloads and Resources page](#) (see screen shot below)**

**If you have specific questions, please contact the FTA Customer Service Team at [FTA@SBA.gov](mailto:FTA@SBA.gov)**

**\*Downloads posted as of June 16<sup>th</sup>:**

[New 1502 Submission and Reporting Timeline: Dates and Deadlines](#) - June 8, 2021

[Cheat Sheet for Accessing FTA Apps and Customer Service: Status of Changes Due to FTA Transition and 7\(a\) Program Systems Migration](#) - May 6, 2021

[Form 159: Video Training on New Form 159 Submission Processes](#) - April 26, 2021

[FTA Transition Overview: As Presented at NAGGL Spring Conference](#) - April 23, 2021

[Capital Access Financial System: CAFS Account Setup Guide](#) - April 3, 2021

[Form 159: CAFS Submission Guide](#) - April 3, 2021

[Form 159: Overview of Changes to the Submission Process](#) - April 3, 2021

[Form 159: Frequently Asked Questions](#) - April 3, 2021

**Valerie Shoudy**, Lender Relations Specialist

[Valerie.Shoudy@sba.gov](mailto:Valerie.Shoudy@sba.gov)

**Grace Connors**, Lender Relations Specialist

[Grace.Connors@sba.gov](mailto:Grace.Connors@sba.gov)

U.S. Small Business Administration

224 Harrison St., Suite 506 | Syracuse, NY 13202

# # # # #

- The Fed's bank stress test results are due Thursday, and analysts and industry watchers expect large banks will be allowed to return to shareholders more of the capital the banks have held during the pandemic. While the Federal Reserve capped dividends and prohibited stock buybacks at the onset of the coronavirus pandemic, those limits were loosened at the beginning of the year. ([Financial Times](#))
- "Morning Consult Finance" asked what percent of U.S. adults have overdrafted their bank accounts in the last 12 months: **A:** 9%? **B:** 19%? **C:** 29%? **D:** 39 %? The correct answer is **B:** 19%. **Read more:** [The Public Is Divided on Overdraft Fees' Fairness. Here's What Banks Should Be Watching.](#)
- Bloomberg reports that [Bank of America Says All Vaccinated Staff to Return to Office in September](#). Also, Bank of America Corp. joined JPMorgan Chase & Co. in closing branches and offices for Juneteenth starting next year after. U.S. employees will receive a floating paid day off to mark the occasion this year, with June 19 falling on a Saturday. [https://www.bloomberg.com/news/articles/2021-06-18/bofa-makes-juneteenth-a-holiday-joining-jpmorgan-wells-fargo?mkt\\_tok=ODUwLVRBQS01MTEAAAF9zXKqXRwJTMe252YdaixKaHTAMcPwIXESsq7VqRixae7Kk\\_x8puuN2T9zHSmPsE6nu6RmyB8LlzcR35rwZmZ\\_TlpMJFZC0MxUiKB4kaFug59N](https://www.bloomberg.com/news/articles/2021-06-18/bofa-makes-juneteenth-a-holiday-joining-jpmorgan-wells-fargo?mkt_tok=ODUwLVRBQS01MTEAAAF9zXKqXRwJTMe252YdaixKaHTAMcPwIXESsq7VqRixae7Kk_x8puuN2T9zHSmPsE6nu6RmyB8LlzcR35rwZmZ_TlpMJFZC0MxUiKB4kaFug59N)
- The U.S. economy is about to face a new challenge that has its roots in the arithmetic of growth: That which fiscal stimulus giveth, fiscal stimulus taketh away. The \$1.9 trillion American Rescue Plan enacted in March, as well as a \$900 billion pandemic aid package passed in December, are heavily front-loaded. <https://www.nytimes.com/2021/06/21/upshot/pandemic-economy->

[stimulus.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF9zXKqXdZ\\_k2FAoHx\\_5LjCFvaMdYEA\\_KWbI1TpZGADpBCMxT-9MBerecVT5IW2btXOOB04cGjGzPXQGFYFwpiUCh9Lvoq-Ybn2f6ioGJ07U5K6g](https://www.washingtonpost.com/economy/stimulus.html?hpid=hp_hp-top-table-main-stimulus%3Ahomepage%2Fstory&hpid=hp_hp-top-table-main-stimulus%3Ahomepage%2Fstory)

- The U.S. economy is emerging from the coronavirus pandemic with considerable speed but markedly transformed, as businesses and consumers struggle to adapt to a new landscape with higher prices, fewer workers and more innovations, [The Washington Post reports](#).
- **[Canadian officials confirm another closed-border month](#)**, by Times Union's Rebekah F. Ward: "Current restrictions banning non-essential travel across the northern border will be extended again until July 21, Canadian officials announced Friday, quelling U.S. hopes for a new agreement before the summer tourism peak.
- The Department of Homeland Security announced that U.S. borders with Mexico and Canada will remain closed to nonessential travel "to reduce the spread" of COVID-19. "The United States is [extending restrictions on nonessential travel](#) at our land and ferry crossings with Canada and Mexico through July 21, while ensuring access for essential trade & travel," the agency tweeted.
- The COVID-19 variant first identified in India is expected to be the dominant strain in America by late summer. "As worrisome as this delta strain is with regard to its hyper-transmissibility, our vaccines work," CDC Director Rochelle Walensky noted. If vaccination rates [continue to slow](#) in the U.S., the delta variant could fuel surges in pockets of the country this fall. While a national wave is unlikely, some states have very low vaccination rates and could see localized outbreaks. Variants are getting much more contagious: The delta variant appears to be about 64% more transmissible than the alpha variant first found in the U.K., which itself was roughly 50% more transmissible than earlier strains. Bottom line: This won't be the last SARS-CoV-2 variant, and others could be [more severe](#). [https://www.axios.com/newsletters/axios-pm-06ee8b2a-2b19-4824-9055-3630c138e1c5.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiospm&stream=top](https://www.axios.com/newsletters/axios-pm-06ee8b2a-2b19-4824-9055-3630c138e1c5.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiospm&stream=top)
- The Fed now [expects two interest rate bumps in 2023](#), faster than its earlier estimate that would have kept interest rates steady until 2024. At a press conference, Fed Chairman Powell said he expects price increases in some categories to be temporary, but that "inflation could turn out to be higher and more persistent than we expect."
- Fed Chairman Powell [on Tuesday](#) will testify in front of the Select Subcommittee on the Coronavirus Crisis on the central bank's lending programs established during the coronavirus pandemic.
- The SEC [tapped](#) Renee Jones, a Boston College law professor, to lead the agency's division of corporate finance. She'll be the first Black woman to lead one of the four major divisions at the agency. Under its [agenda](#), the SEC also said it will draft rules on environmental-, social- and governance-related investing in addition to disclosures by companies on cybersecurity risks.
- After becoming a top [punching bag](#) for the right, Dr. Anthony Fauci is defending himself with a sharp new edge, arguing that an attack on him is an attack on science. [https://www.axios.com/newsletters/axios-am-a9ffa0fe-bee9-4b48-b9ef-f6fd3ca78547.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosam&stream=top](https://www.axios.com/newsletters/axios-am-a9ffa0fe-bee9-4b48-b9ef-f6fd3ca78547.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top)

#### FROM NEW YORK

- Governor Cuomo Saturday gave an update on the state's progress combatting COVID-19. **Saturday's data, summarized:** Test Results Reported – 107,751; Total Positive – 418; Percent Positive – 0.39%; 7-Day Average Percent Positive – 0.39%; Patient Hospitalization – 532 (-16); Patients Newly Admitted – 65; Patients in ICU – 126 (-17); Patients in ICU with Intubation – 73 (-6); Total Discharges – 184,129 (64); Deaths – 9; Total Deaths – 42,914; Total vaccine doses administered – 20,514,127; Percent of New Yorkers ages 18 and older with at least one vaccine

dose – 68.2%; Percent of New Yorkers ages 18 and older with completed vaccine series – 61.6%; Percent of all New Yorkers with at least one vaccine dose – 56.5%; Percent of all New Yorkers with completed vaccine series – 50.6%; <https://www.news10.com/health/gov-cuomo-provides-saturday-coronavirus-update-for-nys-13/>

- A better-than-projected economic recovery and a massive influx of federal aid have stuffed New York state's once-bare coffers, a reversal of fortune that is leading some fiscal watchdogs to again question the state's decision to increase income taxes on high earners, [The Wall Street Journal reports](#).
- A controversial directive issued by Gov. Andrew Cuomo's administration did cause COVID-19 deaths in nursing homes, although the directive's issuance was understandable given the state's difficult circumstances, a new report concluded, [the Times Union reports](#).
- Several different reports have been released to this point regarding New York state's response to COVID-19, specifically in nursing homes. [Read More](#)
- The state Capitol building, the legislative office buildings and the Empire State Plaza complex have reopened to the public after being closed for over a year, including the entire 2021 legislative session, [the Times Union reports](#). [Read more](#).

####

**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 ([Stever@ibanys.net](mailto:Stever@ibanys.net))**