

Tuesday, June 22, 2021  
To: New York Community Banks

## FROM ICBA

### Regulators update BSA/AML exam manual

The Federal Financial Institutions Examination Council [released updates](#) to four sections of the BSA/AML Examination Manual:

- International Transportation of Currency or Monetary Instruments Reporting.
- Purchase and Sale of Monetary Instruments Recordkeeping.
- Reports of Foreign Financial.
- Special Measures.

The updated sections:

- Reinforce the risk-focused approach to BSA/AML examinations.
- Clarify regulatory requirements and include updated information for examiners regarding transaction testing.

**Background:** The manual provides instructions to examiners for assessing BSA/AML compliance programs and compliance with BSA regulatory requirements.

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### Biden meets with financial regulators

Federal financial regulators met with President Joe Biden. A White House [readout](#) of the meeting said:

- They discussed how to build on the economic turnaround.
- The regulators reported that the financial system is strong, financial risks are being mitigated by robust capital and liquidity levels, and household balance sheets are healthy.
- The regulators said they were making steady progress on the president's executive order on climate-related risk and discussed ideas for promoting financial inclusion and access to credit.

### Powell testimony: Fed unlocked \$2T during pandemic

The Federal Reserve helped unlock more than \$2 trillion in funding to support businesses, nonprofits, and state and local governments during the pandemic, according to [testimony](#) from Fed Chair Jerome Powell for a hearing today.

**Market Impact:** Ahead of today's House Select Subcommittee on the Coronavirus Crisis hearing, Powell's testimony notes that market conditions improved once lenders and investors understood that borrowers would have access to emergency loans.

### 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](#).

## FROM OTHER SOURCES

- There are 11 states where at least 20% of older adults still haven't received a COVID-19 shot, potentially putting the pandemic recovery in those states at risk, [the Times reports](#).
- Deaths among Medicare patients in nursing homes soared by 32% last year, with two devastating spikes eight months apart, a government watchdog reported Tuesday in the most comprehensive look yet at the ravages of COVID-19 among its most vulnerable victims. [Read More](#)
- The heads of financial regulators told President Joe Biden that the financial system is in "strong condition," the White House said, and that capital buffers are insulating the financial system. The meeting, which was the first time Biden has met Federal Reserve Chairman Jerome Powell in person, also included a discussion on how the finance sector and regulators can fight global warming. [Bloomberg](#)
- Federal Reserve Chairman Powell told Congress that job growth should pick up in coming months and temporary inflation pressures should ease as the economy continues to recover from the effects of the pandemic. He stated, "The economy has shown sustained improvement," and noted progress on vaccinations and vast stimulus efforts by Congress and the Fed. [Economy Is Showing Sustained Progress, Powell Says](#)
- The SEC is preparing to require public companies to disclose more information about how they respond to threats linked to climate change and businesses are gearing up for a fight. SEC Chairman Gensler has said climate-related disclosure is a top priority. The SEC has sought industry input for a rule proposal that could be issued by October. Regulators and corporate officials say the challenge is identifying which measurements are necessary to help investors gauge a company's financial prospects, and how to set requirements that are flexible enough to generate specific information about corporate risks. <https://www.wsj.com/articles/climate-fight-brews-as-sec-moves-toward-mandate-for-risk-disclosure-11624267803>
- [Track confirmed cases, hospitalizations and deaths in the U.S.](#) and the spread [around the world](#).
- U.S. vaccine distribution and delivery, [racked by state](#).
- Canada laid out details today of looser border restrictions starting July 5 for fully vaccinated citizens, residents and other eligible individuals. But the Trudeau government [still has no timeline for when it will crack open its door to nonessential foreign travelers](#).
- The White House is reportedly considering extending by one month a federal moratorium on evictions scheduled to expire on June 30, in a bid to buy more time to distribute emergency housing aid. [https://www.nytimes.com/live/2021/06/21/world/covid-vaccine-coronavirus-mask?mkt\\_tok=ODUwLVRBQS01MTEAAAF90qx6dcuKuegUXi8bhRj-sP35ahMNYRDLUSX9gYh49XQH-9mgcHc9Y63C63ksXWU7bv21BwCIIezpOgF\\_6J1-wtUadsBL71M7d4mE5CMOI4XS#biden-is-considering-a-one-month-extension-of-the-federal-eviction-freeze](https://www.nytimes.com/live/2021/06/21/world/covid-vaccine-coronavirus-mask?mkt_tok=ODUwLVRBQS01MTEAAAF90qx6dcuKuegUXi8bhRj-sP35ahMNYRDLUSX9gYh49XQH-9mgcHc9Y63C63ksXWU7bv21BwCIIezpOgF_6J1-wtUadsBL71M7d4mE5CMOI4XS#biden-is-considering-a-one-month-extension-of-the-federal-eviction-freeze)
- "Swimming in cash" from an unexpected budget surplus and federal stimulus money, California is planning rent forgiveness on a scale never seen before in the United States: A \$5.2 billion program currently in final negotiations in the State Legislature would pay 100% of unpaid rent that lower-income Californians incurred during the pandemic and would be financed entirely by federal money. The state is also proposing to set aside \$2 billion to pay for unpaid water and electricity bills. [https://www.nytimes.com/2021/06/21/us/california-rent-forgiveness.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF90qH2-](https://www.nytimes.com/2021/06/21/us/california-rent-forgiveness.html?mkt_tok=ODUwLVRBQS01MTEAAAF90qH2-)

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- Roughly 15 months after locking down to ward off Covid-19, several of the globe's key financial centers are struggling to get employees back to their offices. Workplace activity in London, New York and San Francisco is still 50% below its normal level, according to mobility data from Google. [https://www.bloomber.com/graphics/2021-return-to-office/?mkt\\_tok=ODUwLVRBQS01MTEAAAF90qH28Dp5LuXjzVhn-TCeuSIT7XAG5hntUePr7HS7trr4Is1jClp7qAB9j7EhJXHCVuH8k34q9tzWxCmtmBU0YZ6QkPXtgC9t1ROmZyM2cQF4](https://www.bloomber.com/graphics/2021-return-to-office/?mkt_tok=ODUwLVRBQS01MTEAAAF90qH28Dp5LuXjzVhn-TCeuSIT7XAG5hntUePr7HS7trr4Is1jClp7qAB9j7EhJXHCVuH8k34q9tzWxCmtmBU0YZ6QkPXtgC9t1ROmZyM2cQF4)

## FROM NEW YORK

- Governor Cuomo reported Monday that COVID hospitalizations in New York State were at 485. Of the 58,372 tests reported yesterday, 251, or 0.43%, were positive. The 7-day average percent positivity was 0.37%. There were 114 patients in ICU yesterday, down four from the previous day. Of them, 62 are intubated. 10 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov/>
- New York had administered 20,605,726 total doses. 63.2% of adult New Yorkers had completed their vaccine series. 71% of adult New Yorkers had completed at least one vaccine dose, per the CDC. See additional data on the State's [Vaccine Tracker](#).
- With daily COVID-19 cases falling and New York's one-shot vaccination rate surpassing 70% for adults, the state has begun shutting down the mass vaccination centers that were a key part of its inoculation effort, [Gannett Albany reports](#).
- As the national economy recovers from the pandemic and begins to take off, New York City is lagging. The city has suffered deeper job losses as a share of its work force than any other big American city. While the country has regained two-thirds of the positions it lost after the coronavirus arrived, New York has recouped fewer than half, leaving a deficit of more than 500,000 jobs. <https://www.nytimes.com/2021/06/20/business/economy/new-york-city-economy-coronavirus.html>
- John Williams, President of the Federal Reserve Bank of New York, said the U.S. economy is not yet ready for the central bank to roll back aid. Williams said that the economy is "getting better all the time" but that "the data and conditions have not progressed enough" to change the Fed's "strong support for the economic recovery." [Financial Times](#)
- Budding small-business owners and companies that were shuttered during the pandemic can now tap into a New York City concierge service that promises to cut bureaucratic red tape and make it easy to open or reopen a business, [the Staten Island Advance reports](#).
- A progressive coalition on Monday vowed to push forward on a bill that would strengthen public banking in New York after the proposal fell short of passage during the legislative session. [Read more](#).
- Democratic New York State Assemblyman Billy Jones on Monday called for a phased reopening of the Canadian border as most travel restrictions due to the COVID-19 pandemic remain in place. [Read More](#)
- [The light at the end of the pandemic tunnel](#) is shining bright in Erie County on Monday as leaders announced plans to spend millions of dollars in federal funding
- [The pandemic has drastically disrupted](#) the workforce and it may take years for it fully return to normal.

- Here are some of the [bills Cuomo has signed into law](#) since the last scheduled day of legislative session on June 10.
- State coffers are [unexpectedly flush with cash](#) as federal aid flows in and the economic recovery from the pandemic continues.
- Governor Cuomo [announced a new slate](#) of administration appointments.

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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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