

Thursday, June 3, 2021

To: New York Community Banks:

**FROM ICBA**

**ICBA requests more time for interchange feedback**

ICBA and other groups [called](#) on the Federal Reserve Board of Governors to grant a 30-day extension for its [Notice of Proposed Rule Making on Debit Card Interchange Fees and Routing](#). The joint letter says extending the deadline will allow for a more thorough review of the NPRM and robust engagement with the members, which would enhance the quality, accuracy, and specificity of the analysis and commentary on the proposal.

**GAO reports on SBA Covid-19 fund use**

The Small Business Administration has spent roughly half of its \$3.4 billion supplemental budget for COVID-19 related financial assistance as of January 2021, according to a Government Accountability Office [report](#). The agency hired more than 6,000 temporary employees to help administer its Economic Injury Disaster Loan program and about 400 temporary employees for its Paycheck Protection Program.

**ICBA updates data privacy guide**

ICBA recently released an updated [guide for community banks](#) on data privacy laws and regulations.

**Guide:** The guide walks community bankers through some of the more prominent state, federal, and international data privacy laws and will be updated as new laws and regulations are passed.

**More:** The guide is available in the [Cyber and Data Security Mitigation](#) section of ICBA's [Operational Risk](#) resource center.

**Fed issues final rule amending Reg D**

The Federal Reserve Board [announced on Tuesday](#) the approval of a final rule amending Regulation D to eliminate references to an interest on required reserves rate and excess reserves rate and replace them with a single interest on reserve balances rate. The final rule also simplifies the formula used to calculate the amount of interest paid on balances among other minor conforming amendments. The final rule takes effect on July 29, 2021.

**Fed issues final rule amending Reg D**

The Federal Reserve Board [announced on Tuesday](#) the approval of a final rule amending Regulation D to eliminate references to an interest on required reserves rate and excess reserves rate and replace them with a single interest on reserve balances rate. The final rule also simplifies the formula used to calculate the amount of interest paid on balances among other minor conforming amendments. The final rule takes effect on July 29, 2021.

**Fed to wind down corporate bond holdings**

The Federal Reserve Board [announced plans](#) to begin winding down the portfolio of the Secondary Market Corporate Credit Facility, a temporary emergency lending facility that closed on Dec. 31, 2020. The SMCCF proved vital in restoring market functioning last year, supporting the availability of credit for large employers, and bolstering employment through Covid-19. The Fed said it will conduct a "gradual and orderly" of its SMCCF portfolio sell to minimize potential impact.

**FDIC podcast: Banking the unbanked**

In its latest FDIC podcast Leonard Chanin, deputy to the FDIC Chairman for Consumer Protection and Innovation, and Jonathan Mintz of the Cities for Financial Empowerment Fund, discuss efforts to bring the reported 7 million unbanked Americans into the financial system. [Listen to the podcast](#).

**Campaign:** The FDIC's [#GetBanked](#) campaign is designed to encourage consumers to consider opening a checking account and includes resources such as a consumer checklist, list of local partners, and a #GetBanked toolkit.

### **Fed districts cite modest lending, tight inventory: Beige Book**

Economic activity accelerated to a moderate pace from early April to late May for most Federal Reserve districts, according to the [Fed's Beige Book](#). Several districts cited increased vaccination rates and relaxed social distancing measures, while noting the adverse impacts of supply chain disruptions. Lending volumes increased modestly, with gains in both household and business loans.

### **FROM OTHER SOURCES**

- The U.S. averaged roughly 16,500 new cases per day over the past week, a 30% improvement over the week before. New cases declined in 43 states and held steady in the other seven. The official case counts haven't been this low since Americans went into lockdown in March 2020 — when inadequate testing meant that cases were undercounted. The U.S. has finally gotten the virus down to fewer than 20,000 cases per day, spread across 331.5 million people. New York is averaging 800 new cases per day, in a state of some 20 million people.  
[https://www.axios.com/newsletters/axios-vitals-16c5c4c0-97e2-4fee-9b26-d7e8301f0fe5.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-16c5c4c0-97e2-4fee-9b26-d7e8301f0fe5.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- Overall, roughly 33 million Americans — about 10% of the population — have tested positive for COVID-19. Approximately 595,000 people have died from the virus in the U.S., making it deadlier for Americans than the past 80 years of wars and other armed military conflicts combined, including World War II. The U.S. largely failed to contain the virus until the vaccines arrived, but now, the virus really is under control, nationwide and in every state, thanks almost entirely to the vaccines. Just over half of American adults are now fully vaccinated, according to the CDC. [https://www.axios.com/newsletters/axios-vitals-16c5c4c0-97e2-4fee-9b26-d7e8301f0fe5.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-16c5c4c0-97e2-4fee-9b26-d7e8301f0fe5.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- The White House on Wednesday announced a series of initiatives — with an array of partners including Black-owned barbershops, child care providers and colleges — to boost the nation's [slowing COVID-19 vaccination rates](#). The big picture: It's "an all-of-America sprint" to meet President Biden's goal of getting 70% of U.S. adults at least one vaccine dose, and 160 million people fully vaccinated, by the Fourth of July, [Axios' Oriana Gonzalez writes](#).  
[https://www.axios.com/newsletters/axios-vitals-16c5c4c0-97e2-4fee-9b26-d7e8301f0fe5.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-16c5c4c0-97e2-4fee-9b26-d7e8301f0fe5.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- A federal appeals court in Washington, D.C., on Wednesday denied a request by a group of landlords to resume evictions, leaving the temporary nationwide eviction moratorium intact for now. [https://thehill.com/regulation/court-battles/556536-appeals-court-rejects-bid-by-landlords-to-resume-evictions?mkt\\_tok=ODUwLVRBQS01MTEAAAF9cNQ4ldielYb\\_2FZSAOLQ9rgOvQIJm-nW5-DQpbtlvV0J8KOD3X5SNjbmrb64m3n1q7K-non447AMOcM1xRERgLMhgV8Y-4vWY8ua-dsEX2Z](https://thehill.com/regulation/court-battles/556536-appeals-court-rejects-bid-by-landlords-to-resume-evictions?mkt_tok=ODUwLVRBQS01MTEAAAF9cNQ4ldielYb_2FZSAOLQ9rgOvQIJm-nW5-DQpbtlvV0J8KOD3X5SNjbmrb64m3n1q7K-non447AMOcM1xRERgLMhgV8Y-4vWY8ua-dsEX2Z)
- Twenty-five states, all led by Republican governors, are ending the \$300-a-week additional unemployment benefits from the federal government before they expire in September. Some Republicans and business groups say the unemployment benefits are causing people to turn down

jobs, leading to a labor shortage and causing businesses to delay reopening, while Democrats and labor activists contend that several other factors, such as health concerns, are to blame.

[https://www.reuters.com/business/half-us-states-end-biden-backed-pandemic-unemployment-early-2021-06-02/?mkt\\_tok=ODUwLVRBQS01MTEAAAF9cMLO-eP\\_a5U5Gx8OGEbqTaOyiXD2NKIcRPLR7kd91bt3s8\\_d-S8jPBuDApJ5P6cQZBkRUd8llp5rQCATecNY15xOD8IT13Ox8AfaZbpABbUD](https://www.reuters.com/business/half-us-states-end-biden-backed-pandemic-unemployment-early-2021-06-02/?mkt_tok=ODUwLVRBQS01MTEAAAF9cMLO-eP_a5U5Gx8OGEbqTaOyiXD2NKIcRPLR7kd91bt3s8_d-S8jPBuDApJ5P6cQZBkRUd8llp5rQCATecNY15xOD8IT13Ox8AfaZbpABbUD)

- With millions of Americans still out of work and job openings at a record high, policy makers are dealing with an unexpected problem: How to coax people back into the labor force. Congressional lawmakers from both parties are considering incentives such as providing federal funding to pay for hiring bonuses for workers and expanded tax credits for employers. [https://www.wsj.com/articles/labor-shortage-draws-attention-of-u-s-lawmakers-11622712602?mkt\\_tok=ODUwLVRBQS01MTEAAAF9cMLO-YufqyUubzFpfMdpZ2fWAZ6zAlg-94chXPPmj6lhN6Zj8OKPDqIliNUOR7mhHi0GpELA8F-AC-E05svrOts7migYVoAso23yNl6Z99mn](https://www.wsj.com/articles/labor-shortage-draws-attention-of-u-s-lawmakers-11622712602?mkt_tok=ODUwLVRBQS01MTEAAAF9cMLO-YufqyUubzFpfMdpZ2fWAZ6zAlg-94chXPPmj6lhN6Zj8OKPDqIliNUOR7mhHi0GpELA8F-AC-E05svrOts7migYVoAso23yNl6Z99mn)
- The U.S. economic recovery is unlike any in recent history, powered by consumers with trillions in extra savings, businesses eager to hire and enormous policy support. Businesses and workers are poised to emerge from the downturn with far less permanent damage than occurred after recent recessions, particularly the 2007-09 downturn. [https://www.wsj.com/articles/the-economic-recovery-is-here-rebound-jobs-stock-market-unemployment-biden-aid-package-11622642152?mkt\\_tok=ODUwLVRBQS01MTEAAAF9cMLO-XXU8Jevj5h8ZW1oYTbf\\_2UFUpqWfgcjjX3a39a4hfu6GKaM1jWYKi\\_Nft5HsR91tRI2R3l1g\\_0\\_qk3wZoNKpK7dZyp8cFEDdQqTD1H3](https://www.wsj.com/articles/the-economic-recovery-is-here-rebound-jobs-stock-market-unemployment-biden-aid-package-11622642152?mkt_tok=ODUwLVRBQS01MTEAAAF9cMLO-XXU8Jevj5h8ZW1oYTbf_2UFUpqWfgcjjX3a39a4hfu6GKaM1jWYKi_Nft5HsR91tRI2R3l1g_0_qk3wZoNKpK7dZyp8cFEDdQqTD1H3)
- Acting Comptroller of the Currency Michael Hsu said U.S. regulators will "eventually" have to factor climate change risks into bank capital rules, but it is still too soon to say when that would become necessary. He said regulators were still exploring the best way to incorporate climate change risks such as extreme weather events or major policy shifts into bank supervision and oversight. [https://www.reuters.com/business/finance/climate-change-risks-will-affect-us-bank-capital-long-run-official-2021-06-02/?mkt\\_tok=ODUwLVRBQS01MTEAAAF9cMLO-XkcM9i3Xhh5DYE04G\\_KIBqI0YmRE24NIPuAsdCzVMpdufuDcehRtXLZZZBkRmWnAuR0ydyIsQGK-mDYU9urxjw3cmsGDCAqb4MCqB47](https://www.reuters.com/business/finance/climate-change-risks-will-affect-us-bank-capital-long-run-official-2021-06-02/?mkt_tok=ODUwLVRBQS01MTEAAAF9cMLO-XkcM9i3Xhh5DYE04G_KIBqI0YmRE24NIPuAsdCzVMpdufuDcehRtXLZZZBkRmWnAuR0ydyIsQGK-mDYU9urxjw3cmsGDCAqb4MCqB47)
- High prices and low supply are finally taking some of the heat out of the housing market. Even with interest rates falling slightly, mortgage application volume fell 4% last week from the previous week, according to the Mortgage Bankers Association's seasonally adjusted index. [https://www.cnbc.com/2021/06/02/housing-boom-may-be-cooling-as-weekly-mortgage-demand-drops-again.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF9cMLO-edBGbjtFoNpuhQetMYN5oPYuWRUb16Y1\\_i2AWFSOgAQcRk0-gDjq4TYdhlxSyNWA4GJtiOV2zxI35Fiu5GQScUCVpq1njGdHXg\\_jjJI](https://www.cnbc.com/2021/06/02/housing-boom-may-be-cooling-as-weekly-mortgage-demand-drops-again.html?mkt_tok=ODUwLVRBQS01MTEAAAF9cMLO-edBGbjtFoNpuhQetMYN5oPYuWRUb16Y1_i2AWFSOgAQcRk0-gDjq4TYdhlxSyNWA4GJtiOV2zxI35Fiu5GQScUCVpq1njGdHXg_jjJI)

#### FROM NEW YORK

- Governor Cuomo yesterday reported the following update on the state's Covid-19 efforts: announced the following data: There were 71,019 COVID-19 tests reported statewide Tuesday, with a 0.61% overall statewide positivity rate; there were 11 new COVID-19 deaths in New York; there were 1,007 statewide hospitalizations (lowest since October 21, 2020); 252 people in ICU, and 136 were intubated. He noted: "New York state had the highest positivity in the nation, and today New York state has the lowest positivity of any state in the United States of America." <https://www.news10.com/news/watch-live-gov-cuomo-updates-new-yorkers-on-covid-19-pandemic-from-the-javits-center/>

- New York State's vaccination progress, according to the governor Wednesday afternoon, is as follows: 19,149,539 total doses administered statewide; 10,744,805 New Yorkers have had at least one dose (65.5% of the state's 18+ population); 9,186,551 New Yorkers have been fully vaccinated (57.3% of the state's 18+ population.) <https://www.news10.com/news/watch-live-gov-cuomo-updates-new-yorkers-on-covid-19-pandemic-from-the-javits-center/>
- The Federal Reserve's periodic "Beige Book" released yesterday found that in the New York District, economic activity continued to grow strongly in the latest reporting period, as vaccinations expanded and COVID cases abated across the District. Bankers reported a pickup in loan demand, mainly from the commercial sector. Credit standards were unchanged, except on residential mortgages where bankers tightened standards. Loan spreads were little changed. Delinquency rates were generally flat overall—down modestly for C&I loans, but up somewhat for residential mortgages. Banks reported that they have become less lenient toward delinquent accounts, except for commercial mortgages. For details visit: [www.newyorkfed.org/regional-economy](http://www.newyorkfed.org/regional-economy)
- Landlords are making a last-ditch argument that helping tenants in need is the job of the government and that they should be allowed to raise rent-stabilized rents to deal with struggles they face, while tenant advocates contend renters are in a worse situation, [The City reports](#).
- Last spring, U.S. Rep. Delgado (D-Hudson Valley) said that municipalities with fewer than 500,000 people wouldn't be getting a dime from the COVID-19 stimulus plan that had just passed in Washington, D.C. Delgado created a new funding formula to benefit small counties, towns and villages "to address the oversight." [Read More](#)
- Rep. Brian Higgins (D-Erie County) yesterday urged Governor Cuomo to invite Canadians to New York State to get Covid-19 vaccinations they might have to wait months for back home. Higgins joined two members of the Canadian Parliament in issuing a joint statement that said: 'Guidance from both the U.S. Centers for Disease Control and Prevention (CDC) and Canada's COVID-19 Testing and Screening Expert Advisory Panel is clear: individuals with proof of immunity can travel safely and should not be subject to quarantine requirements.'" Canadian business leaders have told Prime Minister Trudeau that planning should begin for a border reopening. [https://buffalonews.com/news/canadian-politicians-join-higgins-call-for-border-reopening/article\\_413cfb10-c3d4-11eb-921b-ff8c9b5d01f5.html](https://buffalonews.com/news/canadian-politicians-join-higgins-call-for-border-reopening/article_413cfb10-c3d4-11eb-921b-ff8c9b5d01f5.html)
- When the NYS Legislature passed a landmark adult-use cannabis legalization bill in March, it committed to starting the two entities responsible for drafting and enacting new industry regulations: the Cannabis Control Board and the Office of Cannabis Management. With the spring legislative session coming to a close next week, six government leadership-appointed nominees to key regulatory roles have yet to be announced or confirmed by the Senate, though the governor's office said the nomination review process is underway. <https://www.timesunion.com/news/article/Industry-members-anxious-for-cannabis-regulator-16219205.php>

###

**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))**