

Friday, June 4, 2021

To: New York Community Banks

FROM ICBA

ICBA updates Operational Risk resource center

In the wake of the high-profile cyberattacks on SolarWinds, Colonial Pipeline and JBS Plants, cybersecurity has never been a more pressing concern to community banks. ICBA's Joel Williquette outlines operational risk resources available to help community banks maintain their edge in cyber defense, in a new [Main Street Matters blog post](#).

Resources: ICBA recently updated its [Operational Risk resource center](#) to provide community banks with the latest information and resources on threats affecting their business, with dedicated sections for cyber and data security, natural disaster, pandemic response, and physical security.

[VIEW RESOURCE CENTER](#)

ICBA: Amend Flex Modification guidelines regardless of LTV

ICBA and other groups [wrote](#) to the Federal Housing Finance Agency and Fannie Mae and Freddie Mac to request an amendment to Flex Modification guidelines to offer lower interest rates to borrowers with loan-to-value ratios below 80 percent. The modification would reduce the monthly mortgage payments for borrowers who may have equity in their homes and need additional payment relief from COVID-related economic hardships, the group wrote.

Court issues ruling in fintech charter case

The Second Circuit Court of Appeals [ruled](#) against the New York Department of Financial Services' challenge to the OCC's decision to begin accepting applications for special-purpose national bank charters for fintechs that do not accept deposits. The court ruled the New York DFS didn't have standing to bring the suit and remanded the case back to the District Court with instructions to dismiss it without prejudice. The Second Circuit's decision reverses an earlier ruling by the lower court, which found that the OCC had exceeded its statutory authority under the National Bank Act, which requires national banks to engage in deposit-taking. ICBA filed an amicus brief in support of the New York DFS' appeal.

EEOC issues guidance for return to office vaccine mandates

Companies can require vaccines for employees returning to the office and incentives to encourage inoculation, according to [recent guidance](#) from the Equal Employment Opportunity Commission. Companies issuing a mandate must give the same legally required considerations as other companywide vaccine requirements and make accommodations for employees who cannot receive the vaccine, the agency said. [Read the agency Q&A](#).

White House memo outlines cybersecurity best practices

The Biden administration urged business leaders to take proactive measures to strengthen the nation's resiliency from cyberattacks. In a [memo](#) circulated yesterday, the White House urged companies to review continuity plans and implement industry best practices to lower their exposure and ensure quick restoration of operations in the event of a ransomware attack.

Private sector adds 978K jobs in May

The private sector added 978,000 jobs in May, according to [ADP](#). Small businesses added 333,000 jobs, while mid-sized and large businesses added 338,000 and 308,000, respectively.

Services sector activity up in May

Economic activity in the services sector [grew](#) in May, according to the Institute of Supply Management. ISM's index reached another all-time high, registering 64 percent, up 1.3 percentage points from last month's reading of 62.7 percent. The May reading indicates the 12th consecutive month of growth for the services sector, which has expanded for all but two of the last 136 months.

Study: Stimulus checks provide financial relief

The two latest rounds of aid significantly improved Americans' ability to buy food and pay household bills and reduced anxiety and depression, according to an [analysis](#) of Census Bureau surveys. According to the University of Michigan study, adults with children and households with annual incomes under \$25,000 most benefitted, the New York Times [reported](#).

FROM OTHER SOURCES

- The U.S. economy added 559,000 jobs last month, the U.S. Labor Department said this morning. The addition of 559,000 new jobs was slightly below estimates but still showed a healthy rebound in the labor market -- up from a disappointing 266,000 payrolls added in April -- and could restore confidence in the job market recovery. The unemployment rate fell to 5.8% from 6.1%, which was better than the estimate of 5.9%. Hospitality again led job creation, with 292,000 new positions. The jobs report is being watched especially closely in Washington, where Republicans and Democrats are in a standoff over President Biden's \$4 trillion infrastructure and social spending proposal. <https://www.cnn.com/2021/06/04/jobs-report-may-2021.html> . . . also, see https://www.axios.com/may-jobs-report-c1e0733e-58bd-4634-b3e2-fbb0486c4b6c.html?stream=future&utm_source=alert&utm_medium=email&utm_campaign=alerts_business
- The unemployment rate hit a fresh pandemic-era low of 5.8%, with 496,000 fewer people considered unemployed. Wages also jumped: Average hourly earnings rose 2% from this time last year. Leisure and hospitality led the pickup in hiring, with 292,000 new jobs gained. Two-thirds of those gains happened at food and drinking places, despite widespread complaints of worker shortages. https://www.axios.com/newsletters/axios-thought-bubble-4ef9169b-7fcf-4fb7-bb02-9ae4a43720a6.html?utm_source=newsletter&utm_medium=email&utm_campaign=thought-bubble-ampm&stream=top
- Pandemic-related unemployment fell sharply in this morning's jobs report. The number of people who said their employer was closed or lost business because of the pandemic fell by 1.5 million, down to 7.9 million. Construction employment, however, hasn't followed the housing market upwards. The total number of jobs in construction fell in May by 20,000, though the decline was mostly in nonresidential jobs. https://www.axios.com/newsletters/axios-thought-bubble-4ef9169b-7fcf-4fb7-bb02-9ae4a43720a6.html?utm_source=newsletter&utm_medium=email&utm_campaign=thought-bubble-ampm&stream=top
- The jobs report showed there are still 7.6 million fewer Americans employed than there were pre-pandemic. At this rate, that gap won't close for another 13 months, which could potentially help President Biden's trillion-dollar job-creation bill. The Fed also wants to see a strong burst of hiring before it changes its monetary policy stance. This report, while good, doesn't satisfy that. https://www.axios.com/newsletters/axios-thought-bubble-4ef9169b-7fcf-4fb7-bb02-9ae4a43720a6.html?utm_source=newsletter&utm_medium=email&utm_campaign=thought-bubble-ampm&stream=top
- Worker filings for initial jobless claims have dropped by 35% since late April, adding to signs of a healing labor market as the U.S. economy ramps up. Weekly unemployment claims, a proxy for layoffs, [fell to 385,000 last week](#) from a revised 405,000 the prior week, the U.S. Labor Department said Thursday. Last week's decline in claims marked the fifth straight week that new filings fell, from 590,000 the week ended April 24. Thursday's reading brings the four-week average of initial claims to 428,000, the lowest point since the pandemic began but still well above pre-pandemic levels.
- U.S. small-business owners reported a record share of unfilled positions in May, and more firms are boosting wages to attract workers, the National Federation of Independent Business said Thursday. Some 48% of firms had unfilled positions last month, a fourth consecutive record, the NFIB said in a report published Thursday. https://www.bloomberg.com/news/articles/2021-06-03/job-openings-at-u-s-small-businesses-increase-to-fresh-record?mkt_tok=ODUwLVRBQS01MTEAAAF9de55glo-

[0gIjAnGjobCkv JVvwbumCtZ5CtwHviVQQrz Zwyw8VDJhVDUSt6TAdyW7MizCDixCfWn6 Nxlsjw8TGacwUBP078ZnMLx62GCLmH](https://www.reuters.com/article/us-usa-fed-quarles/feds-quarles-says-reworked-bank-regulatory-system-performed-quite-well-through-pandemic-idUSKCN2DF276?mkt_tok=ODUwLVRBQS01MTEAAAF9de55gr2xDtO1ux6XP6RNPY5aH15Z_-5v_hrCjE40fXl6Lnpeu3l7B--w3vJ4JEvcaEPMJpYT3eFuVQGECK6QVmrC1cXDpi7brLxHm5bXGPRa)

- In what was viewed as a broad defense of his agenda at the Fed, with his term as its top regulatory official set to expire in October, Fed Vice Chair Quarles said the banking system and recently reworked rules policing it performed "quite well" through the coronavirus pandemic. However, he urged regulators to continue to pursue fixes to bring an end to runs on money market funds, and argued the Fed's countercyclical capital buffer, which can be increased to force banks to hold more cash to guard against instability, should only be utilized during times of "significant irrational exuberance." https://www.reuters.com/article/us-usa-fed-quarles/feds-quarles-says-reworked-bank-regulatory-system-performed-quite-well-through-pandemic-idUSKCN2DF276?mkt_tok=ODUwLVRBQS01MTEAAAF9de55gr2xDtO1ux6XP6RNPY5aH15Z_-5v_hrCjE40fXl6Lnpeu3l7B--w3vJ4JEvcaEPMJpYT3eFuVQGECK6QVmrC1cXDpi7brLxHm5bXGPRa
- Health authorities are trying to determine whether heart inflammation that can occur along with many types of infections could also be a rare side effect in teens and young adults after the second dose of COVID-19 vaccine. ...[Read More](#)
- After weeks of internal deliberations, the Biden administration finally announced Thursday which countries will share in the first Covid-19 vaccine doses donated by the U.S. to help end the pandemic. https://www.politico.com/news/2021/06/03/us-donate-covid19-vaccine-global-2021-491748?mkt_tok=ODUwLVRBQS01MTEAAAF9dfrr3QIRW5DXWGDtILnEPEYIK-H8CONmSDTlzIqW-GuRzvGSNRaJK6sfSUbIAN4Ky1gxG9UtMHtg0k_YXR5OpjJ67haASTCvOnC_-aSkeCoU
- The Federal Housing Finance Agency said it's extending for a third time a moratorium on evictions on multifamily properties backed by Fannie Mae and Freddie Mac, which the agency oversees. The extension, which was supposed to expire at the end of this month, is now in effect until the end of September. https://www.reuters.com/article/us-health-coronavirus-evictions/u-s-housing-regulator-extends-eviction-freeze-for-some-multifamily-property-idUSKCN2DF1QO?mkt_tok=ODUwLVRBQS01MTEAAAF9de55gmyk1PGOIG-oiy2reRXCPWHRdLht93cXhkVxZzCZUyYAC7fCIgi1y_hK0NbqCjVYEFJ2rdmF5sYeZxS0X38WTYOzREap1KiPCSxg4pe
- In almost every way measurable, millennials in the U.S. at 40 are doing worse financially than the generations that came before them. Fewer millennials own homes than their parents did at their age. They have more debt - especially student debt. https://www.bloomberg.com/features/2021-millennials-are-running-out-of-time/?campaign_id=4&emc=edit_dk_20210604&instance_id=32236&nl=dealbook®i_id=88213663&segment_id=59845&sref=Jr3EYbh2&te=1&user_id=afb524f7f8a22a15064fc49bd0ab36e1&mkt_tok=ODUwLVRBQS01MTEAAAF9de55ghKqby86kCp1jp8jZc7hc4QBcQN0oLDv4PFIWU-j4j5umWqe-d7LUyEU7iqFHBcnDAWCb39LioPEHht7sAkC0sEmlF_03rZBPU2VHKth

FROM NEW YORK

- Governor Cuomo reported Thursday that COVID hospitalizations in the state were at 970. Of the 128,002 tests reported yesterday, 565, or (0.44%) were positive. The 7-day average percent positivity was 0.60% There were 245 patients in ICU yesterday, down seven from the previous day. Of them, 143 were intubated. 10 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. New York had administered 19,226,670 total doses, with 57.6% of adult New Yorkers having completed their vaccine series and 65.7% having completed at least one vaccine dose. See additional details and data at [Vaccine Tracker](#).
- More than half of eligible people in New York City have received a first dose of COVID-19 vaccine, a milestone that has plunged the overall number of newly reported coronavirus cases to their lowest levels since the beginning of the pandemic, [The Wall Street Journal reports](#).

- Forging a vaccination card or providing fraudulent proof of immunity could soon be a felony in New York based on a measure approved Thursday by the Democratic-led Assembly. [Read More](#)
- When will New York's economy fully recover from the COVID pandemic recession? It may take some time, even as jobless claims decline: SUNY economist Fred Floss said the numbers reflect an economy regaining its health as the pandemic begins to subside, although unemployment remains higher than normal. "We still have a ways to go," he said. "We haven't made it all the way back to when we started back two Marches ago, but we do see a light at the end of the tunnel." He said unemployment is only one measure of economic health, and other factors are still a bit troubling. [Read more.](#)
- U.S. Rep. Stefanik (R-Schuylerville) wants the Biden administration to begin unilaterally easing restrictions on non-essential travel across the U.S.-Canada border if a bilateral plan is not in place before June 21, the effective closure's current expiration date.
<https://www.adirondackdailyenterprise.com/news/local-news/2021/06/stefanik-calls-for-unilateral-action-on-border-reopening/>

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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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