

Monday, July 12, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA minority bank council opposes IRS reporting plan

ICBA's Minority Bank Advisory Council today is expressing strong opposition to the Biden administration's proposal to require banks to report customer account information to the IRS.

**Letter:** In a [letter](#) going to congressional leaders today, the coalition of minority depository institutions warns that the plan conflicts with the goal of bringing unbanked Americans into the banking system.

**Background:** The administration's fiscal 2022 budget proposal would require banks and other financial institutions to report to the IRS on the deposits and withdrawals of all business and personal accounts with a balance of more than \$600.

**More:** ICBA recently delivered a [fact sheet to Congress](#) detailing consumer and small-business opposition to the plan.

**Grassroots:** ICBA continues calling on community bankers to use its [Be Heard grassroots action center](#) to urge their members of Congress to oppose the plan.

**READ MORE**

### White House directs tougher scrutiny of bank mergers

President Joe Biden directed the Justice Department and federal banking regulators to more closely scrutinize bank mergers and make it easier for customers to switch banks.

**Executive Order:** As part of a broad [executive order](#) to promote competition, the president:

- Encouraged DOJ and the banking agencies to update guidelines on bank mergers to provide more robust scrutiny.
- Encouraged the Consumer Financial Protection Bureau to issue rules allowing customers to download their banking data and take it with them when they switch banks.

**Fact Sheet:** In a [fact sheet](#) noting that federal agencies have not formally denied a bank merger application in more than 15 years, the White House said excessive consolidation raises costs for consumers, restricts access to credit, and harms low-income communities.

**ICBA Position:** ICBA last fall [encouraged DOJ](#) to:

- Update its guidelines on reviewing bank mergers.
- Prioritize mergers in small markets that preserve the financial viability of small banks.
- Institute parity in its considerations of credit unions, Farm Credit System lenders, and online banks.

### Former NCUA official continues taking on credit union bank purchases

A former National Credit Union Administration official continued a series of blog posts raising concerns over credit union acquisitions of community banks.

**Latest Post:** In his [latest post](#), Callahan & Associates co-founder and former NCUA Central Liquidity Fund President Chip Filson cited recent acquisitions that raised questions about:

- A lack of transparency and information to evaluate the transactions.
- The safety and soundness impact of inflated purchase offers of acquired banks.
- Credit unions expanding outside their longtime operational base.

**Prior Criticism:** Previous blog posts on [Wednesday](#) and [Thursday](#) noted these transactions convert firms subject to market monitoring into private entities and exclude credit union member-owners.

**ICBA Proposal:** ICBA last week [urged the Treasury Department](#) to examine credit union acquisitions of community banks and proposed legislation to implement an “exit fee” that would offset these transactions’ tax losses.

**Grassroots:** Community bankers can continue urging Congress to hold hearings on credit union acquisitions via a customizable message to lawmakers on ICBA’s [Wake Up page](#) and recently published [Wake Up Messaging Playbook](#).

## Farm Credit reports financial indicators

The Farm Credit Administration released new information regarding major Farm Credit System [financial indicators](#).

**Data:** According to the latest data, FCS assets grew to \$404 billion at the end of March from \$387 billion a year ago, with year-to-date net income rising to \$1.69 billion from \$1.43 billion.

## FROM OTHER SOURCES

- Pfizer will meet with top U.S. health officials today to discuss its request for federal authorization of a third dose of its COVID-19 vaccine. Pfizer recently asserted that booster shots would be needed within 12 months. President Biden’s chief medical adviser acknowledged that “it is entirely conceivable, maybe likely” that booster shots will be needed. Dr. Fauci didn’t rule out the possibility but said it was too soon for the government to recommend another shot. The CDC and FDA have said they did not view booster shots as necessary “at this time.”  
[https://apnews.com/article/joe-biden-health-government-and-politics-coronavirus-pandemic-coronavirus-vaccine-a8beda2708e148f5e887a434553da845?utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=New%20Campaign&utm\\_term=Morning%20Wire%20Subscribers](https://apnews.com/article/joe-biden-health-government-and-politics-coronavirus-pandemic-coronavirus-vaccine-a8beda2708e148f5e887a434553da845?utm_source=Sailthru&utm_medium=email&utm_campaign=New%20Campaign&utm_term=Morning%20Wire%20Subscribers)
- Millions of Americans have been vaccinated against Covid-19, but one group is well behind: Young adults. 38% of people ages 18 to 29 years have received at least one vaccine dose, the lowest rate among any age group eligible to get immunized, according to a CDC [report late last month](#). The elderly had the highest vaccination rate, at 80%. [https://www.wsj.com/articles/young-americans-arent-getting-vaccinated-jeopardizing-covid-19-fight-11625995802?mod=djemalertNEWS&mkt\\_tok=ODUwLVRBQS01MTEAAAF-OahdNm605ihe8a3ge1hqKxRhxdUpr48nYmiFFrJiyNYy8PFFAAyXZuWrUPwQYDbMWcrBd-oipvNIECYi4CDmgYPyw1ktJwFhy6T2H6ioUEsA](https://www.wsj.com/articles/young-americans-arent-getting-vaccinated-jeopardizing-covid-19-fight-11625995802?mod=djemalertNEWS&mkt_tok=ODUwLVRBQS01MTEAAAF-OahdNm605ihe8a3ge1hqKxRhxdUpr48nYmiFFrJiyNYy8PFFAAyXZuWrUPwQYDbMWcrBd-oipvNIECYi4CDmgYPyw1ktJwFhy6T2H6ioUEsA)
- More than half of unvaccinated Americans live in households that make less than \$50,000 annually, Axios [writes](#) from census data. Almost two-thirds of unvaccinated people who make under \$50,000 still say they either “definitely” or “probably” will get the vaccine. Making it easier for the working poor to get the COVID shot could help boost vaccination rates. Vaccination has been [politicized](#), but juggling work schedules and childcare could be bigger factors than politics. Workers also [may worry](#) about having to take unpaid time off if they come down with any vaccine side effects. What to watch: Whether more employers [provide rewards](#) to vax. [Share this story](#).
- POLITICO-Harvard poll: Americans sharply divided over vaccine mandates, by Dan Goldberg: <https://politi.co/36sgU35>
- The Biden administration is running out of ideas for jumpstarting the pace of coronavirus vaccinations, raising the prospect that more than a quarter of American adults could still be vulnerable to the virus into the fall, [Politico reports](#).
- The country's largest banks will begin reporting second-quarter earnings tomorrow morning. Profits are expected to jump as deal making benefited from a hot market and consumer units saw

a boost from the economic reopening. Some of the gains will come from the release of loan-loss reserves banks set aside at the beginning of the pandemic. [The New York Times](#)

- Treasury Secretary Yellen will lead a regulatory review to assess the risks that climate change may have on the financial stability of the U.S. The Financial Stability Oversight Council chaired by Yellen will do an analysis as part of a presidential executive order "outlining a whole-of-government process to assess climate risk to the U.S. financial system and federal government." [https://thehill.com/policy/finance/562432-yellen-to-lead-investigation-into-climate-change-risk-to-financial-system?mkt\\_tok=ODUwLVRBQS01MTEAAAF-OaJPUzApCqtucJLQUmSetD-0m-JeThvDT8gbNhsX0yS\\_VZBpfB1jM0\\_wKhyBjerRaM\\_YSKotL-vJAtKcRL133euIHxbZVhyMqdP2zcx5ude3](https://thehill.com/policy/finance/562432-yellen-to-lead-investigation-into-climate-change-risk-to-financial-system?mkt_tok=ODUwLVRBQS01MTEAAAF-OaJPUzApCqtucJLQUmSetD-0m-JeThvDT8gbNhsX0yS_VZBpfB1jM0_wKhyBjerRaM_YSKotL-vJAtKcRL133euIHxbZVhyMqdP2zcx5ude3)
- Dr. Fauci said there should be more coronavirus vaccine requirements at the local level, though he has continued to insist the federal government will not mandate them. [https://www.washingtonpost.com/politics/2021/07/11/fauci-says-there-should-be-more-covid-vaccine-mandates-local-level/?mkt\\_tok=ODUwLVRBQS01MTEAAAF-OahdNrRG84dU7oH7pWgsTnrSqtCkXJGNL9ruslBCaRvYT5QOQG9oDOXb\\_USJpFbXF3y4RjSFU7XIOGbzisnvhNnyUC5HQO4sudI3d\\_5hMRxV](https://www.washingtonpost.com/politics/2021/07/11/fauci-says-there-should-be-more-covid-vaccine-mandates-local-level/?mkt_tok=ODUwLVRBQS01MTEAAAF-OahdNrRG84dU7oH7pWgsTnrSqtCkXJGNL9ruslBCaRvYT5QOQG9oDOXb_USJpFbXF3y4RjSFU7XIOGbzisnvhNnyUC5HQO4sudI3d_5hMRxV)

### FROM NEW YORK

- [Across New York state, more than 66.0%](#) of adults have now completed their COVID-19 vaccine series, Governor Andrew Cuomo announced Sunday. He said one person had died from the virus in the state during the past 24 hours, the lowest number of new COVID-19 deaths on a single day since the very beginning of the pandemic. There were 666 new cases Sunday, bringing the seven-day average positivity rate to 0.84%. 339 people were hospitalized with the virus statewide, including 74 in intensive care. Two-thirds of adult New Yorkers have completed their vaccine series. <https://cnycentral.com/news/local/new-york-state-reports-one-new-covid-19-death-in-24-hours-lowest-since-pandemic-began>
- New York's tax revenue surged in May, a year-over-year increase of more than 30% from 12 months ago. It's a potential sign of New York's economic rebound following the shutdown amid the COVID-19 pandemic. However, the sharp rise in revenue for New York could be simply the equivalent of a financial sugar high, and not a guarantee of continued growth as businesses, schools and other public gathering places reopen. [Read More](#)
- Personal income surpassed pre-pandemic levels [by almost 13 percent](#) in the first quarter of 2021 according to Tom Dinapoli.
- Twelve of New York's congressional Democrats are demanding that the federal government immediately reimburse New York City's public hospital system for at least \$864 million in coronavirus-related emergency spending, [the Daily News reports](#).
- Internal emails reveal some top NYCHA managers were warned repeatedly as the COVID-19 pandemic raged last spring that poorly ventilated apartments could accelerate the transmission of the virus that's killed more than 33,000 New Yorkers, [The City reports](#).
- [“We all wait with bated breath’: Secretive Cuomo inquiry leaves New York politics in limbo.”](#): “Few governors in recent New York history have dominated the news cycle — and the levers of government — like Andrew Cuomo. But in the summer of 2021, with an embattled Cuomo eyeing reelection next year, the future of state politics rests with another statewide official: Attorney General Tish James.
- [The head of the Transport Workers Union](#) is breaking with Gov. Andrew Cuomo amid multiple controversies.

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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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