

Tuesday, July 13, 2021
To: New York Community Banks

FROM ICBA

IRS launches Spanish-language Child Tax Credit tool

The [IRS launched](#) a new Spanish-language version of its [Child Tax Credit Eligibility Assistant](#) online tool.

Assistant: The tool allows users to answer questions to determine whether they qualify for the Child Tax Credit and the monthly advance payments due to begin this Thursday, July 15.

Portal: The agency earlier this month upgraded its [Child Tax Credit Update Portal](#) to enable families to update their bank account information so they can receive the monthly payment.

More: Additional information is available on ICBA's [frequently asked questions](#) on the payments and via the [IRS website](#).

ICBA minority bank council opposes IRS reporting plan

ICBA's Minority Bank Advisory Council [expressed strong opposition](#) to the Biden administration's proposal to require banks to report customer account information to the IRS.

Letter: In a [letter](#) to congressional leaders, the coalition of minority depository institutions warned 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.

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.

ICBA urges stronger Fed account access guidelines

ICBA and the Bank Policy Institute [called on the Federal Reserve](#) to strengthen proposed guidelines for evaluating account and services requests.

Background: Due to the lack of oversight by federal banking regulators, fintech firms that hold novel charters pose greater risks to the banking system.

Joint Letter: In a [joint letter](#), the organizations encourage the Fed to establish a uniform set of standards for each of the 12 Federal Reserve Banks to rigorously apply as they evaluate requests for access to the payment system—particularly for novel charters.

ICBA opposes postal banking pilot

ICBA called on lawmakers not to advance a postal banking pilot project under fiscal 2022 spending legislation.

Letter: In a [letter to Senate appropriators](#), ICBA said:

- Postal banking would jeopardize the postal service's core mission.

- The postal service is ill-suited to provide financial services.
- Banking the unbanked is too important a policy goal to entrust to an untested proposal.
- Community bank-fintech partnerships and expanded access to affordable broadband would better promote access to banking services.

Issue Briefs: In a recent [issue brief](#) to Congress, ICBA said the pursuit of postal banking would harm the already-stressed primary function of the postal service—mail delivery.

Next: Future ICBA issue briefs will focus on how the USPS is unfit for financial services and on more realistic alternatives to postal banking.

Fed's Powell leads this week's key hearings

With Congress back in Washington, several hearings are slated for this week:

- Today: Senate Banking Committee, Commerce Department and HUD nominations.
- Today: Senate Small Business Committee, SBA deputy administrator nomination.
- Wednesday: House Financial Services Committee, monetary policy report from Fed Chairman Jerome Powell.
- Wednesday: House Agriculture Committee, business meeting on the Broadband Internet Connections for Rural America Act (H.R. 4374).
- Thursday: Senate Banking Committee, Senate report from Fed's Powell.
- Thursday: House Financial Services subcommittee, Community Development Block Grant disaster recovery.
- Friday: House Financial Services Task Force on Artificial Intelligence, verifying identity while preserving privacy.

FROM OTHER SOURCES

- Biden administration health officials believe the most vulnerable Americans will eventually need coronavirus booster shots – but they are still debating how quickly that should happen, two administration officials said, [Politico reports](#).
- The Biden administration is shipping over 1 million doses of COVID-19 vaccines to Laos, Fiji and Costa Rica, Axios' Sarah Mucha [reports](#). This allotment is part of the pledge by President Biden to deliver 80 million doses of the vaccine [globally](#).
- [COVID-19 case numbers have seen a big drop](#) in recent months thanks to vaccination rates nationwide. But as mask wearing eases up, respiratory illnesses are once again on the rise and doctors say this is a trend that's likely to keep going up.
- Conflicting statements from Pfizer and the Biden administration were just the beginning of what will likely be a [contentious debate over booster shots](#), Axios' Caitlin Owens writes. Biden administration officials met with Pfizer yesterday evening to discuss whether new data suggests that some Americans may soon need a third shot. Officials reportedly agreed they need to continue looking at the data. "For those who are at risk, there may be a need for boosts ... the real risk is, right now there are people who are not vaccinated," a person familiar with the discussion in that meeting said. "No one walked out of there and said boosters are needed imminently." [the Times reports](#).

- U.S. Democratic lawmakers this week will invite Fed Chair Powell to support another big round of government spending - testing him just months before President Joe Biden is expected to consider his renomination. Powell appears before the House Financial Services Committee Wednesday. Chair Maxine Waters (D-CA) has already praised him for cooperating with the Treasury and Congress during the pandemic. https://www.bloomberg.com/news/articles/2021-07-13/powell-faces-biden-policy-quiz-with-renomination-in-background?srd=premium&mkt_tok=ODUwLVRBQS01MTEAAAF-PsQPEBXw_2w0Ql_p2aSvD-pkBgwaX9ZKNXpvbzHndt4GrqcL5vM2b8SBhSjgH48drUTYKV16dVTejhZGKEuchJkzEgQDywLpy1dgXfilLFA6
- Prices for goods and services, excluding food and energy, shot up 0.9% in June on a month-over-month basis, according to the Core [Consumer Price Index](#) reading published Tuesday morning. That's an uptick from May's monthly change of 0.7%. Economists were expecting an increase of 0.4%. Including energy and food prices, the headline CPI figure shows a 0.9% monthly increase, compared to a [0.6% uptick in May](#). On a yearly basis, June prices were shot up to 5.4%, compared to the 5% change in May. Prices are 4.5% higher compared to last year, the highest annual increase in nearly 30 years. That's also a pickup from the 3.8% year-over-year figure reported a month ago.
- Meanwhile, consumer expectations for inflation over the coming year reached their [highest level ever](#), according to a survey released Monday by the Federal Reserve Bank of New York
- [On Thursday](#), the Treasury Department begins monthly payments to families with children, a program created by the COVID stimulus in March. The United States will join many other rich countries that provide a guaranteed income for children ... Experts estimate the payments will cut child poverty by nearly half. Treasury [said](#) 39 million households — covering 88% of U.S. children — will automatically begin receiving monthly payments through the expanded Child Tax Credit. The program is scheduled to expire in a year.

FROM NEW YORK

- Governor Cuomo reported yesterday COVID hospitalizations in the state were at 348. Of the 51,890 tests reported yesterday, 573, or 1.10%, were positive. The 7-day positivity average was 0.88%. There were 78 patients in ICU yesterday, up four from the previous day. Of them, 36 were intubated. One life was lost to the virus. 73.3% of adult New Yorkers had received at least one vaccine dose, per the CDC. New York had administered 21,577,298 total doses with 66.7% of adult New Yorkers completing their vaccine series. See additional data on the State's [Vaccine Tracker](#).
- The daily positivity level in COVID-19 test results surpassed 1% across New York State for the second day in a row – the latest sign of how COVID-19 indicators have been inching upward for several weeks, despite summer weather and the state's growing vaccination rates, [Newsday reports](#).
- Most New York state residents believe the worst is over with the COVID-19 pandemic and many want to resume activities taken for granted prior to the crisis, like visiting family members or eating in a restaurant, a Siena College poll released Tuesday found. Still, the poll also found New Yorkers were depressed by the events of the last year, and many remain concerned a family member will become ill with the coronavirus, while about half of residents are concerned there will be a surge in cases in the coming weeks. [Read More State of Politics reports](#).
- New York's tax revenue surged in May -- a year-over-year increase of more than 30% from 12 months ago, and a potential sign of New York's economic rebound following the

shutdown amid the COVID-19 pandemic. The sharp rise could also be the equivalent of a “financial sugar high,” and not a guarantee of continued growth as businesses, schools and other public gathering places reopen. The increase is also due to the delayed timing of tax payments because of the ongoing pandemic and altered deadlines.

<https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2021/07/12/why-state-tax-revenue-is-surged-this-spring>

- [The Urban Institute on Saturday](#) released an economic brief finding that states like New York and California saw significant increases in their tax revenue this past spring. Both states instituted significant restrictions in order to halt the spread of the coronavirus, and rescinded many guidelines as more people were vaccinated and the number of new cases and hospitalizations declined.
- NYC Mayor De Blasio is planning to stick with a universal mask mandate in city schools this fall, despite new Centers for Disease Control guidance last week suggesting vaccinated kids and adults can safely ditch their masks inside classrooms, [the Daily News reports](#).
- Nearly 75 percent of New Yorkers have [received at least one dose](#) of the Covid-19 vaccine.
- Staten Island is [ticking up in Covid-19 cases](#) with the new Delta variant on the rise.

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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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