

Thursday, July 15, 2021
To: New York Community Banks

FROM ICBA

Child Tax Credit payments start today

The IRS today begins distributing Advance Child Tax Credit payments authorized by the American Rescue Plan.

Payments: Families will receive today's payment by direct deposit in the bank account currently on file with the IRS. Those not enrolled for direct deposit will receive a check.

Resources: The IRS's [Eligibility Assistant](#) helps families determine eligibility for the payments, and its [Update Portal](#) enables recipients to update their bank account information to receive the monthly payment.

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

House Republicans urge OCC to address 'true lender' repeal

House Financial Services Committee Republicans asked the OCC how it plans to respond to a recently enacted resolution repealing the agency's "true lender" rule.

Letter: In a [joint letter](#) to Acting Comptroller Michael Hsu, the lawmakers said preventing the rule from taking effect will make new and innovative financial products more expensive and credit less available. The letter also seeks feedback on the agency's efforts to enable innovation and respond to cybersecurity threats.

Rule: The [ICBA-supported](#) OCC rule created a standard to determine when a bank is the "true lender" when partnering with a third party. Under the rule, banks were deemed true lenders if they funded the loan or were named as the lender in the loan agreement on the origination date.

Resolution: The resolution, which President Joe Biden signed June 30 following congressional approval, repeals the rule under the Congressional Review Act, which allows lawmakers to invalidate federal rules and limits agencies' ability to issue a similar rule in the future.

FDIC, CFPB update financial education curriculum

The FDIC and Consumer Financial Protection Bureau [released an enhanced version](#) of the Money Smart for Older Adults financial education curriculum.

Updates: The enhanced version includes an updated resource guide and a new section to help people avoid "romance scams," in which scammers create a fake profile on a dating site or app to seek money.

More: The agencies also released a new brochure on COVID-19-related scams.

Powell: Inflation to remain elevated in coming months

Inflation has increased notably and will likely remain elevated in the coming months before moderating, Federal Reserve Jerome Powell [told](#) the House Financial Services Committee.

Testimony: Delivering his semiannual monetary policy report, Powell said inflation is being temporarily boosted, though conditions warranting a change in the Fed's accommodative policy are "a ways off."

Next: Powell is set to testify again [today](#) before the Senate Banking Committee.

OMB won't change metro area standards

The Office of Management and Budget [said](#) it will end its consideration of an ICBA-opposed proposal to update its standards on metropolitan and micropolitan statistical areas.

Background: The proposal—which drew opposition from a bipartisan group of senators—would have increased the minimum urban area population of cities that qualify as Metropolitan Statistical Areas from 50,000 to 100,000.

ICBA Position: In a letter earlier this year, [ICBA urged OMB](#) to delay and study the proposal, noting that many local and state officials are concerned the change would reduce their ability to compete for various grant and loan programs.

House Ag panel approves broadband bill

The House Agriculture Committee approved legislation to expand broadband connectivity in rural areas. The Broadband Internet Connections for Rural America Act (H.R. 4374), which [passed](#) on a voice vote, would provide \$50 billion for rural broadband infrastructure.

Beige Book: economy growing amid supply disruptions

The U.S. economy displayed moderate to robust growth in recent weeks, according to the Fed's latest [Beige Book](#). Sectors reporting above-average growth included transportation, travel and tourism, manufacturing, and nonfinancial services, while supply disruptions became more widespread, residential construction softened, and bank lending activity increased.

FROM OTHER SOURCES

- A CDC advisory panel plans to discuss COVID-19 boosters for immunocompromised people [when it meets next week](#). The Advisory Committee on Immunization Practices will also examine the possible link between Guillain-Barré syndrome and the Johnson & Johnson vaccine. The FDA [added a warning to the J&J coronavirus vaccine](#) on Tuesday, saying the shot can lead to an increased risk of the rare neurological condition.
- Top House Democrats, including Small Business Chair Nydia Velázquez (D-Brooklyn) urged the Biden administration to provide details on the extent to which federal employees and contractors helped criminals fraudulently obtain small business aid during the Covid-19 pandemic. They asked the head of the SBA to disclose more information on the incidents, which have come to light in recent law enforcement and inspector general investigations of the agency's Economic Injury Disaster Loan program (EIDL). https://www.politico.com/news/2021/07/14/democrats-press-sba-on-employees-linked-to-loan-fraud-499635?mkt_tok=ODUwLVRBQS01MTEAAAF-SRZNTVkr3MEJoT9ud_kx9cWYpmmh3MLFEUMzEpEio110w5TPEuRuyDz5-v-1Hapin0eeqbrlvfhtTtZAt5xpFykZSNy6mBsPlhwz4hUmt1S
- As concerns grow about a nationwide eviction crisis later this summer, the White House will once again convene city officials across the country to find ways to keep people in their homes and ramp up the amount of rental relief reaching tenants and landlords. The second meeting is set for July 21, according to a White House official - 10 days before the final eviction moratorium from the Centers for Disease Control and Prevention expires July 31. https://www.washingtonpost.com/us-policy/2021/07/14/eviction-prevention-white-house-moratorium/?mkt_tok=ODUwLVRBQS01MTEAAAF-SRZNTExu8ziSHqCzngsLk0-SxnYAwR26CnNQrrXOONRH3ORrDTmMpvS3vIHjSF0TRU5I_cm7_2AihJWOJlZUZxo4G6V_kMOZRvbJtv29qLVC
- Monthly payments for the child tax credit that was included in the American Rescue Plan will begin showing up in bank accounts today for most of the nearly 39 million families who are eligible to receive them. While most families that have filed taxes recently or received stimulus checks should get the payments without little issue, an estimated 4 million to 8 million eligible children could miss out on the payments if their families didn't file taxes or don't need to. [NBC News](#)
- Americans' trust in all big institutions has cratered, but look at the massive gap in who we *do* trust. Overall trust in key U.S. institutions has dropped 10 points in the past decade, according to

Gallup, which began tracking the question during the Watergate year of 1973. [Share this story](#). . .
[Go deeper](#): Read the Gallup report

FROM NEW YORK

- Fueled by the Delta variant, daily coronavirus case counts in New York City have begun climbing in recent days. Just a few weeks ago, there were only 200 new cases a day across the city on average, the lowest level since the early days of the pandemic. But the city has now had a streak of days with 400 or more cases. And the test positivity rate has doubled: from below 0.6% on average to about 1.3%. The increase has been swift, surprising some epidemiologists and public health officials who had not expected to see cases jump so quickly after remaining level throughout June. <https://www.nytimes.com/2021/07/14/nyregion/delta-variant-coronavirus.html>
- Vaccines offered powerful protection [against the coronavirus in New York City](#), blunting the second wave of the virus and saving an estimated 8,300 lives between December of last year and July of this year, according to a new study by Yale University epidemiologists released by the city on Wednesday. With some 64% of adults in the city fully vaccinated, epidemiologists said it was unlikely that the Delta variant would create conditions anywhere near as devastating as the past two waves of Covid-19. <https://www.nytimes.com/2021/07/14/nyregion/delta-variant-coronavirus.html>
- Dozens of New York state lawmakers in the Assembly and Senate this week urged Gov. Andrew Cuomo and the state Department of Health to use COVID-19 relief money to boost pay for home care workers. [Read More](#)
- **The July 14 edition of the Federal Reserve's "Beige Book" reported that in the Second District (including the New York region), businesses in the broad finance sector indicate that activity has picked up since the last report. Small to medium-sized banks in the District reported increased demand for loans, driven by higher demand for consumer loans and commercial mortgages. Refinancing was unchanged on net. Banks reported further tightening in standards on commercial mortgages and C&I loans and higher spreads on consumer loan and residential mortgages. Delinquency rates were down in all loan categories except residential mortgages, where they were reported to be unchanged. Overall, Economic growth in the Second District remained strong in the latest reporting period, as low levels of COVID and widespread vaccinations have enabled most businesses to re-open. Contacts continued to express broad-based optimism about the business outlook. For more information about District economic conditions visit: www.newyorkfed.org/regional-economy**
- The border between the United States and Canada has been closed for non-essential travel since March of last year with the restrictions extended monthly. With the next deadline of July 21 coming up in a week, it doesn't appear there will be any major changes, despite the vocal advocacy from Rep. Brian Higgins (D-Western New York) to open the border since COVID-19 vaccines have been widely available. Canada was originally behind the U.S. in vaccination rates, but has made great strides in the last month or so as the U.S. has sent millions of doses across the border. [Read more](#).
- Republicans in the state Assembly are calling for a special session of the Legislature to align New York's moratorium on evictions for those affected by the COVID-19 pandemic with the federal government's policy. [Read More](#)
- Local government property taxes in New York next year will [hit their statutory cap](#) of a 2% increase, according to state Comptroller Tom DiNapoli.

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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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