

Friday, July 2, 2021
To: New York Community Banks

FROM ICBA

Nominations open for Best Community Banks to Work For awards

ICBA's [Independent Banker magazine](#) opened nominations for its 2021 Best Community Banks to Work For awards.

Background: The December issue will celebrate community banks that go above and beyond to create a fulfilling work environment for employees.

Deadline: Eligible community banks must submit nominations by Saturday, July 31, to be evaluated.

Methodology: Once nominated, full-time employees of each nominated bank will be asked to complete a comprehensive workplace survey in August. Banks in five asset categories with the highest index scores will be selected as winners.

SUBMIT NOMINATIONS

Fed to launch CECL tool for community banks

The [Federal Reserve said](#) it will release a new tool this month to help community banks implement the Current Expected Credit Losses accounting standard.

Details: The Scaled CECL Allowance for Losses Estimator, or SCALE, is a spreadsheet-based tool that uses regulatory and industry data to help community banks under \$1 billion in assets to calculate their CECL allowances.

Upcoming Launch: The Fed said it will launch the SCALE tool and answer questions during an "Ask the Fed" webinar on July 15 intended for community banks.

Background: Under the CARES Act, institutions that adopted CECL last year [may delay](#) for two years the estimated impact on regulatory capital. The two-year delay is followed by the three-year transition period already in place. [Read more from Fed.](#)

FHFA issues fair lending policy statement

The [Federal Housing Finance Agency](#) issued a policy statement on its commitment to comprehensive fair lending oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

Details: The policy statement details the agency's position on monitoring and information gathering, supervisory examinations, and administrative enforcement related to the Equal Credit Opportunity Act, the Fair Housing Act, and the Federal Housing Enterprises Financial Safety and Soundness Act.

More: The FHFA also issued orders requiring the enterprises to submit quarterly reports to the agency with fair lending information and data.

Feedback: Comments on the application of the policy statement are due within 60 days of its publication in the Federal Register.

ICBA supports Senate bill offering rural lending tax relief

ICBA expressed its strong support for the Senate introduction of legislation to exempt from taxation interest income on farm real estate and rural mortgage loans.

The Bill: The Enhancing Credit Opportunities in Rural America (ECORA) Act (S. 2202) was introduced in the Senate by Sen. Jerry Moran (R-Kan.). The House version (H.R. 1977) was introduced earlier this year by Reps. Ron Kind (D-Wis.) and Randy Feenstra (R-Iowa).

Details: The bill would allow banks to offer lower interest rates to their farm and rural home mortgage borrowers by exempting from taxation interest income on ag real estate loans and loans for rural housing in towns with a population of 2,500 or less.

More: In a [national news release](#), ICBA said the bill will help sustain and revive rural economies affected by the COVID-19 pandemic.

CFPB issues bulletin on accurately reporting rental info

The Consumer Financial Protection Bureau reminded landlords, consumer reporting agencies, and others of their obligations to accurately report rental and eviction information.

Bulletin: Issued before federal eviction protections come to an end, the CFPB's [enforcement compliance bulletin](#) details enforcement and policy guidance about reporting consumer rental information under the Fair Credit Reporting Act.

Task force updates jurisdictions with AML deficiencies

The Financial Action Task Force [updated](#) its statements concerning jurisdictions with strategic deficiencies in countering money laundering and terrorist financing. The FATF added Haiti, Malta, the Philippines, and South Sudan to, and removed Ghana from, its list of jurisdictions under increased monitoring.

FHFA encourages FHLBanks to use LIBOR alternative

The Federal Housing Finance Agency [encouraged](#) the Federal Home Loan Banks to use the Secured Overnight Financing Rate in the transition from LIBOR.

Letter: In a supervisory letter, the agency said the FHLBanks have been leaders in the LIBOR transition and warned of other alternative reference rates that may pose the same risks as LIBOR.

ARRC: The Alternative Reference Rates Committee, which is implementing the LIBOR transition and encouraging the use of SOFR, [welcomed](#) the letter.

Pending Deadline: The U.K. Financial Conduct Authority has [said](#) it will cease publishing LIBOR for the one-week and two-month settings immediately after Dec. 31, 2021. U.S. regulators last fall [encouraged banks](#) to cease entering new USD LIBOR contracts by that date.

ICBA offices closed for Independence Day

ICBA offices will be closed Monday in recognition of Independence Day. ICBA NewsWatch Today will resume publishing on Tuesday.

FROM OTHER SOURCES

- COVID-19 dropped to the seventh leading cause of death in the U.S. in June, a marked decline from January 2021 when it was No. 1, new Kaiser Family Foundation [data shows](#). COVID-19 is still wreaking major havoc in the U.S., especially among people who aren't vaccinated, but we've come a long way.
- The U.S. economy added 850,000 jobs in June — more than the 700,000 forecast — while the unemployment rate ticked higher from 5.8% to 5.9%, the [government said](#) on Friday. It's a faster pace of job growth than economists expected, even as businesses say they are having a hard time finding workers. The pace of job growth has been slower than the fast snapback some anticipated in the wake of the economic reopening and vaccination campaign. The economy added 583,000 jobs in May, 269,000 in April, and 785,000 in March.
- Americans are going back to work at a faster clip and getting paid more to do so. The U.S. economy added a better-than-expected 850,000 jobs in June. Average hourly earnings jumped 3.6% from a year ago, in a continuation of the trend seen over the past two months. The numbers back up anecdotal evidence from employers across the country. Demand for workers is strong, forcing employers to raise the amount they're offering to be able to compete. The leisure and hospitality sector added a stunning 343,000 jobs — more than a third of June's total job gains. "It turns out that you can find workers, you just have to pay a better wage than in the past, because wages of low-wage workers are going up," economist Betsey Stevenson [tweeted](#). . .But, the pickup in pay isn't helping pull workers off the sidelines yet. The proportion of the population that's in the labor force — 61.6% — didn't budge, and is well below its 63.3% pre-pandemic level. https://www.axios.com/newsletters/axios-thought-bubble-18623f34-6828-4e3f-81a1-827a482dc179.html?utm_source=newsletter&utm_medium=email&utm_campaign=thought-bubble-ampm&stream=top
- Facing a burnout crisis, a growing number of firms are giving all employees the same day or week off, separate from personal vacation time, Erica Pandey [writes](#) in [Axios What's Next](#). It's a lot easier for workers to unplug if their managers and peers are doing it at the same time. The pandemic produced [exacerbated burnout](#) — a major contributor to "[the great resignation](#)," in which upward of 40% of workers are actively considering leaving their jobs. [Share this story](#).

FROM NEW YORK

- Governor Cuomo yesterday reported that COVID hospitalizations rose slightly to 370. Of the 80,956 tests reported yesterday, 411, or 0.51%, were positive. The 7-day positivity average was 0.44%. There were 86 patients in ICU yesterday, down five from the previous day. Of them, 45 were intubated. Two New Yorkers lost their lives to the virus. 72.1% of adult New Yorkers had received at least one vaccine dose, per the CDC. New York had administered 21,197,633 total doses. 65.4% of adult New Yorkers had completed their vaccine series. See additional data on the State's [Vaccine Tracker](#)
- The world is opening up. People are gathering with friends, planning vacations and shopping at the mall rather than online. Yet, there's been a low-frequency drone of troubling news from far off places that has cast a shadow on our celebratory summer. It's COVID-19. And it hasn't gone away; it's just over there. UAlbany's Dr. Rosenberg provides information on two new COVID variants: Delta and delta plus. [Read More](#)
- Governor Cuomo signed legislation today that prevents government employers from dismissing or taking disciplinary or personnel actions against a public worker who fell ill with the coronavirus, [the Daily News reports](#). Employers in the public sector will be blocked from penalizing workers who used sick leave or compensatory time to quarantine or seek medical treatment due to a coronavirus diagnosis or contact. [Read More](#)
- New Yorkers' income is recovering, but unevenly. More money is coming into New Yorkers' wallets since the beginning of the year, but much of that growth is being driven by government aid like unemployment checks and Medicare and Social Security benefits. [Read More](#)
- The amount of office space available for lease in Manhattan has soared to the highest rate ever, according to reports released yesterday, underscoring how the sudden shift to remote work during the coronavirus pandemic is upending the city's commercial real estate industry, [the Times reports](#).
- Residential real estate in Manhattan has finally bounced back to where it was before COVID-19 devastated New York City, with 3,417 completed deals from April to June, versus 1,357 deals a year ago, [the Times reports](#).
- Nursing home staffers are confused about which pandemic health and safety protocols they should keep following, and they want to know why the state Health Department is directing them to follow newly expired guidance since Cuomo abruptly ended the coronavirus state of emergency last week, [the New York Post reports](#).
- A [recent study](#) was conducted that compared all the states to determine which states are the best to live in. The 50 states were compared across 52 key indicators of livability. They range from housing costs and income growth to education rates and quality of hospitals. New York was ranked as the third best state to live in. [New York Ranks Among Best States to Live In](#)
https://wpdh.com/new-york-ranks-among-best-states-to-live-in/?utm_source=tsmclip&utm_medium=referral
- Some GOP state legislators are advocating for landlords devastated by eviction moratorium. The state's ban on evictions is still in place, and many landlords say the moratorium has left them in financial ruins with any relief from the state not helping. State Senator Jordan (R-Saratoga County) said: "The Emergency Rental Assistance Program, ERAP, is not helping .. ERAP'S unrealistic unworkable requirements are making a bad situation worse for landlord small businesses who are struggling financially." Republican Senator Tedisco (R-Schenectady) also urged support of his bill to help small property owners with a rental assistance loan-to-grant program. <https://cbs6albany.com/news/coronavirus/lawmakers-advocate-for-landlords-devastated-by-eviction-moratorium>
- Those used to regular border crossings are [ready to get back into Canada](#) for "summer homes, cold brews and family."

- NYC Mayor De Blasio announced that Bruce Springsteen, Paul Simon, and Jennifer Hudson will all be taking part in the massive concert in Central Park this August as part of a weeklong New York City reopening celebration, [Gothamist reports](#).
- Where does Governor Cuomo go from here? He faces an uncertain future in elected office, the investigation by NYS Attorney General James's office into those harassment allegations, as well as a federal probe into how his administration counted and reported the deaths of nursing home residents. Yet there is every indication he will seek a fourth term in 2022. [The poll from Siena College on Thursday](#) shows he is back virtually to his 2019 numbers: 45% of voters hold a favorable view of him and 47% of those voters polled do not, virtually the same from a year and a half ago. His fundraising base seemingly remains, and his base support appears intact.
<https://spectrumlocalnews.com/nys/central-ny/ny-state-of-politics/2021/07/01/analysis--where-does-cuomo-go-from-here->

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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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