

Monday, June 28, 2021
To: New York Community Banks

FROM ICBA

Credit union spree intensifies pressure on Congress: Romero Rainey

The growing trend of tax-exempt credit unions acquiring taxpaying community banks is increasing the pressure on Congress to investigate, ICBA President and CEO Rebeca Romero Rainey wrote.

Impact: In [anew article on LinkedIn](#), Romero Rainey discusses the growth of these tax-subsidized acquisitions, the impact on consumers and industry consolidation, and the need for Congress to hold hearings.

Engage: In the post, Romero Rainey encourages community bankers to share their credit union stories and comments on LinkedIn and across social media to add color to this issue.

More: ICBA recently published the [Wake Up Messaging Playbook](#) to provide ICBA members with guidance on effectively advocating a fair and level playing field between community banks and credit unions.

Grassroots: Meanwhile, community bankers can continue urging their members of Congress to hold hearings on credit union acquisitions via a customizable message to lawmakers [on ICBA's Wake Up page](#).

[READ MORE](#)

ICBA lays out opposition to IRS reporting plan

ICBA last week delivered a [fact sheet to Congress](#) detailing consumer and small-business opposition to the Biden administration's plan to require banks to report customer account information to the IRS.

Fact Sheet: The new document says IRS mining of consumer financial information would be intrusive, undermine the goal of reducing the unbanked, and increase taxpayer complexity and confusion.

Grassroots: ICBA's [Be Heard grassroots action center](#) offers a customizable message that community bankers can use to urge their members of Congress to oppose the plan.

Fed extends PPP facility for final time

The [Federal Reserve Board](#) said it will extend for a final time its Paycheck Protection Program Liquidity Facility by an additional month to July 30.

Extension: The Fed said the extension allows additional processing time for institutions to pledge to the facility any PPP loans approved by the SBA through the program's June 30 expiration.

Background: The PPPLF extends term credit to financial institutions that make PPP loans, accepting the PPP loans as collateral.

KC Fed report details community bank role

Despite their declining market share, community banks are crucial providers of credit and financial services, according to a [new study](#) from the Federal Reserve Bank of Kansas City.

Details: The report notes that community banks:

- Are the predominant providers of banking services in rural communities.
- Are outsized providers of credit to agricultural and commercial borrowers.
- Were leading lenders during the financial crisis and COVID-19 pandemic.

Agencies issue 2021 list of CRA geographies

The FDIC and Federal Reserve Board [issued](#) the 2021 list of distressed or underserved nonmetropolitan middle-income geographies. These are geographic areas where revitalization or stabilization activities are eligible to receive Community Reinvestment Act consideration under the community development definition.

House committee hearings include racial justice, crypto

The House Financial Services Committee has [hearings](#) scheduled this week on overhauling credit reporting, financial services industry commitments to economic and racial justice, the cryptocurrency “frenzy,” and addressing climate as a systemic risk.

Personal income declines, spending flat

Personal income decreased 2.0 percent in May following a 13.1 percent decrease in April on declining emergency assistance, the Commerce Department [reported](#). Consumer spending increased less than 0.1 percent, though the April increase in expenditures was upwardly revised from 0.5 percent to 0.9 percent.

Consumer sentiment improves in June

Consumer sentiment improved 3.1 percent in June and was up 9.5 percent from a year ago, according to the University of Michigan [index](#). The June gain was based on the improved economic outlook of households with incomes above \$100,000.

FROM OTHER SOURCES

- The rapid spread of the delta coronavirus variant has forced a growing number of countries to reimpose lockdowns, raising fears that the more contagious variant is hampering global efforts to contain the pandemic, [The Washington Post reports](#).
- The Biden administration is sending officials across the country, devising ads for niche markets and enlisting community organizers to persuade unvaccinated people to get a shot. The focus is a group health officials term the “movable middle” — some 55 million unvaccinated adults seen as persuadable, many of them under 30. Officials have seized on a compelling new talking point: The potent [delta variant](#) that has ravaged India is spreading here, and many of those infected are young and unvaccinated.
- The Biden administration is sending officials across the U.S., devising ads for niche markets and enlisting community organizers to persuade unvaccinated people to get a shot. The focus is a group who health officials term the “movable middle” — 55 million unvaccinated adults seen as persuadable. Many are under 30, most are not college educated. Black and Latino adults are more likely to fall in this category than people of other backgrounds. The [delta variant](#) that has ravaged India is now spreading in the U.S. and many of those infected are young and unvaccinated.
- At this point, about 170 million American adults have received at least one vaccine dose, representing roughly two-thirds of those 18 and older. An Associated Press analysis suggests that [Biden’s self-imposed goal](#) of having 70% of all adults vaccinated by July 4th may not be reached until late July at current rates of vaccination.
- The coronavirus pandemic plunged Americans into recession. Instead of emerging poorer, many came out ahead. U.S. households added \$13.5 trillion in wealth last year, according to the Federal Reserve, the biggest increase in records going back three decades. https://www.wsj.com/articles/during-covid-19-most-americans-got-richerespecially-the-rich-11624791602?mkt_tok=ODUwLVRBQS01MTEAAAF98XIOaE4UUO711TbIPAtSBIDYDSZ4g7rx5-

[BXAIdVHimvllm0infVH_H21yYAFdCtqr8eghNMR6nXc36xVi_NwNyF8WHSZjTQsSLer1E
DTUW](https://www.wsj.com/articles/new-york-and-other-northeast-states-see-large-drop-in-unemployment-11624699800?mkt_tok=ODUwLVRBQs01MTEAAAF98XIOZxXvFtJ4JOkeKOVoc2NQWSGfoqgos0oX3t2UFrm7XT_XnmMp0DCbMMOx5Jr6hijGemrt3sZqga9Sb_IKaMJozlTtmbD7qtV1iVNVTS6i)

- The labor-market recovery picked up momentum this spring in the Northeast, with New York, Connecticut and other nearby states posting sizable drops in unemployment last month. The jobless rate in Rhode Island decreased 0.5 percentage point in May to a seasonally adjusted 5.8%, matching the national average unemployment rate and matching Delaware for the biggest drop, according to Labor Department data.https://www.wsj.com/articles/new-york-and-other-northeast-states-see-large-drop-in-unemployment-11624699800?mkt_tok=ODUwLVRBQs01MTEAAAF98XIOZxXvFtJ4JOkeKOVoc2NQWSGfoqgos0oX3t2UFrm7XT_XnmMp0DCbMMOx5Jr6hijGemrt3sZqga9Sb_IKaMJozlTtmbD7qtV1iVNVTS6i
- Inflation climbed in May at the fastest pace since 2008, as businesses reopening from pandemic shutdowns and strong demand continued to push prices higher, fueling anxiety among some economists and debate in Washington. The Personal Consumption Expenditures inflation index increased 3.9% in the year through May, in line with what economists in a Bloomberg survey had anticipated.https://www.nytimes.com/2021/06/25/business/inflation-federal-reserve.html?mkt_tok=ODUwLVRBQs01MTEAAAF98XIOaHuQmz0z0_KbiYyflPD2ZghgvrFuPjPPwpUfm9zA2gQ5QUvfdQ1Vuy2cynx7vDOPXomCM_GOUvWTQqxDOHRh4qViEHKe40tXhKcmJm0c
- The Biden administration mounted an aggressive push reshaping national housing policy in a span of 48 hours this past week, replacing a key regulator and pushing a flurry of other changes to try to address growing concerns within and outside the White House about a housing crisis for millions of renters and vulnerable Americans.https://www.washingtonpost.com/business/2021/06/27/housing- eviction-rent-biden-white-house/?mkt_tok=ODUwLVRBQs01MTEAAAF98XIOZ2_kUDRoKsEljZznBh99DiKYk-Lmkblb3CHvnrQHVCQYxQYVavgZSoRFUbdDsy28s1hf3cwcw3dRk510KvPfu3QQ_mTVFSixY5lCo6Jen
- A race to fill one of the most coveted committee seats in Congress is forcing House Republican leaders to make a tough choice between how much they value seniority over the need to improve diversity in their ranks. At least six GOP lawmakers are vying for an open spot on the House Financial Services Committee.https://www.politico.com/news/2021/06/27/republicans-diversity-finance-panel-496387?mkt_tok=ODUwLVRBQs01MTEAAAF98XIOZw8Z3Qo1vioiHm5AA62JvkORHGt9DwB3F86FcOOQ1yj3sAD-KkWYIAIFbo5xO_fxW3DLwrW14FNKoZLjiNXc1vTc6jMQnbbwZYGK2a_8
- The number of unemployment-benefit recipients is falling at a faster rate in Missouri and 21 other states canceling enhanced and extended payments this month, suggesting that ending the aid could push more people to take jobs. Federal pandemic aid bills boosted unemployment payments by \$300 a person each week and extended those payments for as long as 18 months, well longer than the typical 26 weeks or less.https://www.wsj.com/articles/americans-are-leaving-unemployment-rolls-more-quickly-in-states-cutting-off-benefits-11624786202?mkt_tok=ODUwLVRBQs01MTEAAAF98XIOaFISFcoMr-Bq6CMx0LjSPCT_ftskQ8wFvIj_F8oKdNt8ym88y2uGdj0Vzp8CcCIjdvwVKYUHKv7stvwvdx0w5SP5zjs73UA0YQclRi0
- Missouri one of the first four states to halt the federal aid; [a total of 26 have said they will do so by next month](#). But in the St. Louis metropolitan area, where the jobless rate was [4.2 percent in May](#), those who expected the termination would unleash a flood of job seekers were disappointed. Work-force development officials said they had seen virtually no uptick in applicants since the termination, and the online job site *Indeed* found that in states that have abandoned the federal benefits, clicks on job postings were below the national average.https://www.nytimes.com/2021/06/27/business/economy/jobs-workers-unemployment-benefits.html?mkt_tok=ODUwLVRBQs01MTEAAAF98XIOZy_wXdg1_n7mmIS7-D4jxca

FROM NEW YORK

- New York's pandemic curve continued to flatten, Governor Cuomo announced over the weekend, as hospitalizations continue to fall. New York state has reached new lows in COVID-19 hospitalizations, patients in an ICU and patients intubated. There were 330 patients hospitalized statewide, 85 patients in an ICU and 43 patients intubated, all record lows since the start of the pandemic. The Governor added, "The vaccine is the weapon that will win us the war against the COVID-19 beast. It is safe, effective, free and readily available to New Yorkers across the state. If you haven't already, take advantage of ongoing incentive programs and get your shot today." [Read more.](#)
- Nearly a month after the state officially [opened applications](#) for its rent relief program ("ERAP" - the Emergency Rental Assistance Program funded by money for rent relief appropriated in the December and Biden administration pandemic relief bills), real estate and tenant advocates agree that the program is off to a rocky start due to frustrating technical difficulties on top of a complicated process that can take two or more hours to complete. <https://www.thecity.nyc/2021/6/27/22551078/new-york-rent-relief-application-frustrate-landlords-tenants>
- State Senate Republicans are calling for the NYS Legislature to return to Albany to take up a bill that would legalize alcohol-to-go after pandemic-era provisions lapsed last week. A summertime special session is rare and -- given Republican lawmakers' minority status in both chambers of the Legislature -- unlikely at this point, unless more issues are added to a potential agenda. [Read More](#)
- Governor Cuomo may have declared an end to the COVID-19 emergency in New York, but the pandemic is hardly over as the virus rages around the world, [the Times Union writes.](#)
- The New York City Council is [set to reconvene in person this week](#) for the first time in 16 months.

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IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

- **John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)**