

Wednesday, June 30, 2021
To: New York Community Banks

FROM ICBA

HUD proposes restoring 'disparate impact' rule

The Department of Housing and Urban Development [recently proposed](#) rescinding its 2020 rule interpreting the Fair Housing Act's "disparate impact" standard and restoring its 2013 rule on discriminatory effects.

New Proposal: HUD's proposed rule would overturn its [September 2020 rule](#), which was designed to conform with a 2015 U.S. Supreme Court ruling but was [blocked](#) by a Massachusetts district court before taking effect.

2013 Rule: Under HUD's 2013 rule, lenders could be held liable for neutral practices that have a disparate impact on certain classes of borrowers, even if the lenders had no intent to discriminate.

Court Case: In *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*, the Supreme Court upheld the disparate-impact approach while ruling that disparate-impact cases must demonstrate a robust causal link between practices and alleged discriminatory impact.

2020 Rule: In response to the high court decision, HUD's [ICBA-supported](#) 2020 final rule required plaintiffs to meet a five-step framework that established legal liability for facially neutral practices that have unintended discriminatory effects.

ICBA Position: ICBA supports equal access to credit through consistent enforcement of the fair lending laws and believes any disparate-impact cause of action should demonstrate a robust causal link between a statistical disparity and a specific policy or practice.

Next: ICBA is evaluating the proposal and will submit comments by the Aug. 24 deadline.

FHFA: New foreclosure restrictions apply to GSE servicers

The [Federal Housing Finance Agency](#) said Fannie Mae and Freddie Mac servicers will not be permitted to make a first notice or filing for foreclosure that would be prohibited by amended mortgage servicing regulations.

Background: The Consumer Financial Protection Bureau this week [amended](#) servicing regulations as federal foreclosure moratoria are phased out, including by requiring servicers to meet procedural safeguards before initiating foreclosures through the end of the year.

Treasury, IRS issue state-by-state EIP data

The Treasury Department and IRS released [state-by-state data](#) through early June for Economic Impact Payments delivered through the American Rescue Plan Act.

Totals: This third round of EIPs included 163.5 million payments totaling nearly \$390 billion.

Direct Deposit: The agencies said more than 85 percent of the third round of EIP dollars were paid through direct deposit, up from 77 percent during the first round of EIPs last year.

Data: Available on the IRS website, the EIP data is broken down by state, income category, and filing status.

CFPB reports on 2020 consumer reporting, servicing violations

The Consumer Financial Protection Bureau [issued a report](#) highlighting legal violations identified by bureau examinations in 2020.

Report: The CFPB said particularly concerning findings from the report include:

- Consumer reporting companies accepted consumer data from unreliable furnishers.
- People in minority neighborhoods were discouraged from applying for credit.
- Violations of mortgage servicing rules related to foreclosures.
- Student loan servicers misled consumers about loan forgiveness.

Grassroots continue on IRS reporting, credit unions

ICBA continues encouraging community banks to contact their members of Congress to:

- [Express opposition](#) to the Biden administration's plan to require banks to report customer account information to the IRS.
- [Call for hearings](#) on tax-exempt credit unions acquiring taxpaying community banks.

IRS Reporting: ICBA last week delivered a [fact sheet to Congress](#) detailing consumer and small-business opposition to the plan.

Credit Unions: In a recent [article on LinkedIn](#), ICBA President and CEO Rebeca Romero Rainey discusses the growth of tax-subsidized acquisitions and their impact on consumers.

Home prices, consumer confidence rise

Home Prices: Increased 14.6 percent year-over-year in April, up from a 13.3 percent annual gain in March, according to the Case-Shiller [index](#).

House Prices: Rose 1.8 percent in April from the previous month and were up 15.7 percent from a year ago, the Federal Housing Finance Agency [said](#).

Consumer Confidence Index: Rose this month to 127.3, its highest level since March 2020, the Conference Board [reported](#).

FROM OTHER SOURCES

- There are pockets of vaccine resistance across the country, places where Covid is surging, and [the pace of U.S. vaccinations is far behind President's Joe Biden's July 4 goal](#). But compared to the rest of the world, the U.S. looks like a pandemic success story. About 46% of the country has been fully vaccinated, including nearly 80 of people 65 and older. Out of the 150 million Americans fully vaccinated as of June 21, a only 4,115 people were hospitalized or died from a breakthrough infection, [according to the CDC](#). Hospitalizations and deaths are generally on the decline. Today the U.S. topped a [Bloomberg resiliency ranking](#) based on vaccination rates, lockdown severity and other measures.
- The Supreme Court declined to lift the national moratorium on evictions for tenants impacted by the coronavirus pandemic, following a decision by a federal judge in Washington last month that the Centers for Disease Control and Prevention's moratorium was legally unsupportable. Last week, the CDC extended the eviction moratorium for one more month through July; it was previously set to expire today. [The Wall Street Journal](#). The Court's 5-4 ruling upheld the Centers for Disease Control and Prevention's order blocking landlords from evicting people who can't pay rent due to the COVID-19 pandemic. ([CNN](#)) The court also ruled against immigrants who say they would face persecution or torture in their home countries if they were deported ahead of what is expected to be a final slate of decisions today on election law and voting rights. ([The Washington Post](#))
- More than half of the money disbursed in the third round of stimulus payments has gone to households with income of under \$50,000, the Treasury Department said Tuesday. About 52 percent of the funds sent out through June 3 went to households reporting adjusted gross income of under \$50,000 on their 2019 or 2020 tax returns. <https://thehill.com/policy/finance/560779-irs->

[most-of-recent-stimulus-check-money-went-to-households-making-under-50k?mkt_tok=ODUwLVRBQS01MTEAAAF9-8g29jdeszlytOkYpHKi_UasHgB2SRXpYCyVECBdCwBLYYZNMUd6d_x2WkdW9nesP7SGmd_cEpB1-bAe-b1xW9Spa092u3OboXYq0Ob4gv1d](https://www.nytimes.com/2020/09/29/us/economy/most-of-recent-stimulus-check-money-went-to-households-making-under-50k.html)

- With a new variant of the coronavirus rapidly spreading across the globe, masks are again the focus of conflicting views and fears about the course of the pandemic and the restrictions required to manage it, [The New York Times reports](#).
- There are approximately 10 million unemployed Americans and over 9 million open jobs, but few people are scrambling for those jobs, Axios [writes](#). Only about 10% of job seekers say they're actively and urgently looking for work, according to a [new survey](#) from the jobs site *Indeed*. Around 45% are passively looking for jobs, and another 30% "plan to get a job in the near future but aren't looking at all right now." Workers without college degrees, who tend to be in lower-wage jobs, gave these reasons for delaying the job search: 25% are afraid of COVID and are waiting for vaccination rates to climb before getting back to work; 20% say they have a financial cushion; 20% are staying home due to childcare responsibilities; 12% say their unemployment insurance is the reason they're not rushing to get a job. [Share this story](#)
- The SEC named New Jersey Attorney General Gurbir Grewal as head of the agency's enforcement division. In New Jersey, Grewal led the state's securities bureau and filed dozens of lawsuits against former President Trump's administration, ranging from loosened environmental protections to the Affordable Care Act. The SEC post was previously held by corporate defense lawyer Alex Oh, who quit after less than a week on the job after a federal judge reprimanded her and others for defending Exxon Mobil Corp. in a lawsuit filed by Indonesian villagers. [Politico](#)

FROM NEW YORK

- The state needs to promote rent-assistance programs as vigorously as it has pushed people to get vaccinated against the disease that for the past 15 months has wrought havoc on people's health, livelihoods and lives, [the Times Union writes](#). The editorial notes: "In two months, untold numbers of tenants, homeowners and small-business owners in New York who have been unable to pay their rent or mortgage during the COVID-19 pandemic will no longer be protected from eviction or foreclosure under state law. There's good news, though: There is a ton of money out there to stop this from happening — if only people would avail themselves of it."
- Tenants and their advocates hope New York's revamped rent relief program will finally help renters and landlords who have struggled to get assistance since the start of the COVID-19 pandemic. Paperwork requirements made it tough for tenants and landlords to get relief funds in a previous round of pandemic assistance. In 2020 New York dedicated \$100 million from the federal CARES Act to rental relief and received 94,000 applications but wound up rejecting most applicants. It has dispersed \$47 million to date to 18,000 applicants, far fewer than officials had hoped to reach. <https://apnews.com/article/nyc-state-wire-ny-state-wire-business-health-coronavirus-pandemic-8e59caa61058394780169de9ce08aafb>
- The federal government has for months refused to reimburse New York City's public hospital system for more than \$860 million in coronavirus-related emergency expenses due to a "Kafkaesque" payout formula, [the Daily News reports](#).
- Fully vaccinated municipal workers in New York City will no longer need to wear masks indoors or observe social distancing rules starting next week, a move that belies the World Health Organization's recommendation to maintain preventive measures, [Newsday reports](#).
- [Hospitalizations in Erie County](#) are hitting their lowest levels since the pandemic began.
- New York hotels rely heavily on international and business travel, which have yet to rebound. The domestic travel market is finally coming back to New York and the city is spending \$30 million on a new marketing campaign, but it's going to be a while before tourism is back to pre-pandemic levels. Hotels are reopening, but still don't have enough guests to justify bringing back

all their staffers. The Hotel Association of New York City said occupancy was about 66% percent in late June, down from almost 90% pre-pandemic. <https://gothamist.com/news/without-more-tourists-city-hotels-cant-bring-back-all-their-furloughed-staffers>

- U.S. Rep. Lee Zeldin (R-Long Island) overwhelmingly won Monday’s unofficial straw poll at the Republican Gubernatorial Candidate Forum in Albany, but 2014 Republican gubernatorial nominee and former Westchester County Executive Rob Astorino isn’t giving up. [Read More](#)
- Prominent leaders in the labor movement, business community and politics on Tuesday attended Gov. Andrew Cuomo's \$10,000-a-ticket fundraiser in New York City as he faces multiple controversies and calls for his resignation from elected officials in New York. [Read More](#)
- The law firm retained by the state Assembly to conduct an impeachment investigation of Gov. Andrew Cuomo has declined to interview numerous current and former state troopers who have worked on the detail that protects him, [the Times Union reports](#).
- Lawmakers in the state Assembly reportedly anticipate discussions about possibly issuing subpoenas to witnesses involved in the wide-ranging impeachment investigation into the Governor during a meeting scheduled for today. Assembly Judiciary Committee members will convene in Albany Wednesday morning — the fourth meeting pertaining to the investigation since March. <https://nypost.com/2021/06/29/cuomo-impeachment-panel-to-discuss-issuing-subpoenas/>

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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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