

Wednesday, September 1, 2021
To: New York Community Banks

FROM ICBA

Stablecoin surge raises consumer, systemic risks: blog

A new [ICBA blog post](#) details how stablecoins have become a hot topic due to a surge in activity that poses risks to consumers and the financial system.

Background: In the post, ICBA's Brian Laverdure writes that stablecoins facilitate crypto-to-crypto exchanges and are linked to the burgeoning world of decentralized finance.

Risk Concerns: The connection to DeFi platforms presents consumer risks due to a lack of safety and security, while questions swirl about the assets backing stablecoins, Laverdure writes. [READ MORE](#)

Community bank customers weigh in on IRS monitoring

Community bank customers have joined the industry in expressing opposition to the Biden administration's proposal to require banks to report their customers' account information to the IRS.

Consumer Alert: Consumers have already sent thousands of messages to their members of Congress opposing the plan via ICBA's new [Consumer Alert webpage](#).

Consumer Outreach Vital: ICBA is encouraging community bankers to direct their customers to the site to demonstrate public opposition extends beyond banks themselves.

Custom Resources: Meanwhile, community bankers are using ICBA's [customizable email and social media content](#) to raise opposition, with the #KeepMyBankingPrivate hashtag already garnering hundreds of thousands of impressions.

Details: ICBA President and CEO Rebeca Romero Rainey details the multi-faceted consumer campaign—including ICBA's custom resources—in a post on [Main Street Matters](#) and [LinkedIn](#).

ICBA testifying today on PPP forgiveness

ICBA Chairman Robert Fisher is scheduled to testify at 1 p.m. (Eastern time) today at a House Small Business Committee [hearing](#) on what's next for Paycheck Protection Program forgiveness.

Hearing: The president and CEO of Tioga State Bank in Spencer, N.Y., will discuss community bank PPP lending, loan forgiveness, and efforts to streamline the forgiveness process.

Background: Community banks were the top PPP lenders, accounting for some 60 percent of the program's total loan amount and 58.3 percent of the nearly 49 million jobs saved by the program.

Resources: Additional PPP information is available on [ICBA's PPP Resources page](#).

Treasury studying insurance sector climate risks

The [Treasury Department](#) said the Federal Insurance Office is requesting public comment on the insurance sector and climate-related financial risks. The effort will focus on:

- Assessing climate-related issues in insurer regulation.
- Assessing the potential for major private insurance coverage disruptions.
- Increasing the office's engagement on climate-related issues.

Waters announces Sept. committee schedule

The House Financial Services Committee released its [September schedule](#) of hearings and markups. The schedule includes hearings on protecting renters, consumer access to personal financial data, the Treasury

Department and Federal Reserve pandemic response, and the impact of consolidation and nonbank competition on the future of banking.

FBI-CISA advisory on holiday, weekend ransomware

The FBI and Cybersecurity and Infrastructure Security Agency [issued a joint advisory](#) urging organizations to protect themselves against ransomware attacks while offices are closed during holidays and weekends.

Attacks: The agencies said while they do not have any specific indication of a cyberattack over the upcoming Labor Day holiday, malicious cyber actors have launched attacks during other holidays and weekends this year.

Best Practices: The advisory provides immediate and longer-term best practices, including making an offline data backup, updating OS and software, and using multi-factor authentication.

More: ICBA's [Operational Risk resource center](#) provides community banks with the latest information and resources, as outlined in a recent [Main Street Matters post](#).

Home prices increase while consumer confidence falls

Home Prices: Increased 18.6 percent in June from a year ago, up from a 16.8 percent annual gain in May, according to the Case-Shiller [index](#).

House Prices: Advanced 1.6 percent in June from the previous month, with second quarter prices rising 17.4 percent from a year ago and 4.9 percent from the first quarter, the Federal Housing Finance Agency [said](#).

Consumer Confidence Index: Decreased from 125.1 in July to 113.8 in August, its lowest level since February, the Conference Board [reported](#).

FROM OTHER SOURCES

- The Biden administration's decisions over when to administer coronavirus vaccine boosters are triggering turmoil within the Food and Drug Administration. https://www.politico.com/news/2021/08/31/biden-booster-plan-fda-508149?mkt_tok=ODUwLVRBQS01MTEAAAF_QE0VxdXhUS9TU7-63loCikMZAkwuHO-dk1kyYixMKycG4Wofc9WMz84Knxyuc3zGby6UoSdCXlhIoZ_0BWNKxKRmbF9I3jk3-VQRUyUS6dXz
- Two of the FDA's top vaccine regulators will leave the agency this fall, which could disrupt its work on deciding whether to recommend coronavirus vaccines for children under 12 and booster shots for the general population. <https://www.nytimes.com/2021/08/31/us/politics/fda-vaccine-regulators-booster-shots.html>
- The Biden administration is expected to announce a series of rule changes that would help ease the shortage of entry-level homes and rentals, according to people familiar with the matter, with an announcement that could come as early as today. The proposed moves are relatively incremental but together should have a "meaningful impact" on the lower end of the housing market, said former Obama administration housing adviser Jim Parrott. [The Wall Street Journal](#)
- Political groups representing some of the country's most influential corporations are laying the groundwork for a lobbying blitz to stop Congress from enacting significant swaths of President Biden's \$3.5 trillion economic agenda. The opposition appears to be vast, spanning drug manufacturers, big banks, tech titans, major retailers and oil-and-gas giants. https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/?mkt_tok=ODUwLVRBQS01MTEAAAF_QEPC2XasgOK147M7UdawaZCBAD

[6pmEM9sMtLdpZa3lnfbEzcwEFR5BPH5DJFecYK6jJY-j4pOnoNoYCVLoodzYY8BuvlDZNyW-nfdjD4p54T](https://thehill.com/policy/finance/570186-labor-dept-forms-new-office-to-modernize-reform-unemployment-insurance-system?mkt_tok=ODUwLVRBQS01MTEAAAF_QEPC2Dd-X05eq0d8Htj1P5ESADfVHSh0Q0AACp9Ir8Ni-hXMBMqjilVGM4TCy4Gx1HN40EkCEpAWW2spWVfLahXcL5YiGIOTJwNVOAS4fLP)

- The U.S. Department of Labor announced the establishment of a new office that will be tasked with helping state agencies modernize and reform the unemployment insurance system. The unit will oversee and manage the \$2 billion allocated to the department under the \$1.9 trillion coronavirus rescue package President Biden signed to address some of the major challenges states have faced in the past year. https://thehill.com/policy/finance/570186-labor-dept-forms-new-office-to-modernize-reform-unemployment-insurance-system?mkt_tok=ODUwLVRBQS01MTEAAAF_QEPC2Dd-X05eq0d8Htj1P5ESADfVHSh0Q0AACp9Ir8Ni-hXMBMqjilVGM4TCy4Gx1HN40EkCEpAWW2spWVfLahXcL5YiGIOTJwNVOAS4fLP
- Consumer confidence fell to a six-month low in August, as COVID-19 infections soared nationwide amid an outbreak driven by the highly infectious delta variant. The Conference Board released figures on Tuesday showing that its Consumer Confidence Index fell to 113.8 this month, down from 125.1 recorded in July. https://thehill.com/policy/finance/570272-consumer-confidence-at-six-month-low-as-infections-soar?mkt_tok=ODUwLVRBQS01MTEAAAF_QEPC2ZRgqMFZC0F_2kZgPH3zqFFwuR7dNHlaiuS5PCBQdVCVYx548gHxwJA9137Y1INau_kwkaPXys3gogoVZUNClmJu0ToZBcVSPIIKFGX8
- Deutsche Bank will reportedly require Covid-19 vaccinations for anyone coming into the firm's new Manhattan headquarters, which is set to open in late September. Anyone seeking to enter the offices at One Columbus Circle must show proof of a COVID-19 vaccination to get inside, a person familiar with the matter told Insider. https://www.businessinsider.com/deutsche-bank-mandating-vaccines-for-all-staff-guests-columbus-circle-2021-8?mkt_tok=ODUwLVRBQS01MTEAAAF_QEPC2F2FqVq_SH6x3ERrOIJ3DXf3IHentF9luF1ZRqjBGVWEizL4AD0P9waVHCB-h8R2WMRsy9kS-Kj-4cctru6AEhBI7TkWItvuw7_mw6UV
- Home-price growth climbed to a record in June, as robust demand continued to outpace the number of homes on the market. The S&P CoreLogic Case-Shiller National Home Price Index, which measures average home prices in major metropolitan areas across the nation, rose 18.6% in the year that ended in June, up from a 16.8% annual rate the prior month. https://www.wsj.com/articles/u-s-home-price-growth-rose-to-record-in-june-11630414873?mkt_tok=ODUwLVRBQS01MTEAAAF_QEPC2ZgTWJK3_0ApFbUoasrmxPcRXUWmiyEwzeny7-eAmt0TbfV_qGPuElXKyLrsK1XSYPcJSukQBlewAFbLz-BExDLLCqnNb9YneK0t9m-

FROM NEW YORK

- **Governor Hochul Nominated Adrienne Harris As Superintendent of Financial Services**
Governor Hochul nominated Adrienne Harris as Superintendent of Financial Services. She was Special Assistant to President Obama for Economic Policy in the White House, and also served at Treasury during his administration. Governor Hochul said DFS's focus [would be consumer protection](#) and ensuring an equitable recovery from the pandemic. Harris most recently was General Counsel, Chief Business Officer and Advisor at States Title, Inc. (now DOMA), and a senior advisor at the Brunswick Group, advising financial institutions, fintech companies and venture capital firms. **For details, and reactions from a number of public officials:** <https://www.governor.ny.gov/news/governor-hochul-announces-nomination-adrienne-harris-superintendent-department-financial>; . . . https://www.wsj.com/articles/gov-kathy-hochul-picks-obama-administration-veteran-to-lead-new-yorks-top-financial-regulator-11630420205?mkt_tok=ODUwLVRBQS01MTEAAAF_QEPC2N2dnHbK4M31WNhBgeObrR2WAAv2mlSOfpH1qzqfhnIAmbFUIZVAayCiwEZt3GnlkU_HwMeTutpBc5W8-lz-37dJJ7YuYDZICtBPI-BY

- With New York’s eviction moratorium about to expire, **the state Legislature will reconvene for an extraordinary session today called by Governor Hochul** to amend and extend the state’s eviction moratorium and address the slow disbursement of Emergency Rent Relief Program (ERAP) funds. [The New York Times reports](#). Senate Deputy Majority Leader Michael Gianaris said lawmakers will fix the law to comply with the Supreme Court’s decision earlier this month. [Read More](#)
- State lawmakers cut renewing the eviction moratorium far too close and must hurry to act: When the state Legislature convenes in an extraordinary session at the call of Hochul, residential evictions in New York will have been permitted for 12 hours, [the Daily News writes](#).
- The Emergency Rental Assistance Program aid will help tenants, landlords and utility companies, plus protect applicants from eviction, so while lawyers debate the language of future moratoriums, getting this program unstuck should be a top priority, [The Buffalo News writes](#).
- Governor Hochul outlined plans to combat the COVID-19 delta variant. She announced \$65 million for local health departments to distribute the booster COVID-19 vaccines, [the Times Union reports](#). Hochul said she is taking cues from local leaders as she traveled the state over the last year and a half as Lieutenant Governor. [Read More](#) Long before she was elevated to New York’s highest office, or became a member of Congress, Kathy Hochul was a locally elected official on a town board in western New York. It’s that experience -- later serving as a county clerk -- that has informed Hochul’s early days of being governor and her response to the COVID-19 pandemic. [Read More](#)
- Governor Hochul said she’s seeking “the legal clearance” to mandate COVID-19 testing on unvaccinated public and charter school workers across the state – but shots in arms are her long-term goal, [the New York Post reports](#).
- Sources say NYS lawmakers will be called back tomorrow for an extraordinary session around 12 noon. The agenda will reportedly be extending the eviction moratorium. Other possible agenda items could include confirming Governor Hochul’s nomination of Adrienne Harris as Superintendent of Financial Services, and approving the Governor’s Governor Cannabis Control Board appointments".
- While state Sen. Brian Benjamin prepares to be sworn in as lieutenant governor next week, more than a few people are already lining up [to replace the Harlem Democrat in the Senate](#).
- New York City Mayor Bill de Blasio’s office published fresh guidance for business owners about how to put New York City’s vaccine mandate into action, ahead of the city’s plan to start enforcing the rule with fines on Sept. 13, [Gothamist reports](#).
- De Blasio offered New Yorkers a workaround for his own vaccination mandate, saying despite COVID-19 shots needing weeks to take full effect after being administered that New Yorkers can get their job and then head straight to a restaurant or theater, [the New York Post reports](#).
- [New York's new vaccination and mask mandates](#) could face a legal challenge.
- [Commercial districts in New York City](#) are grappling with a slow return of customers.

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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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