

Friday, September 10, 2021  
To: New York Community Banks

## FROM ICBA

### **New op-ed continues push against IRS reporting plan**

While Sen. Joe Manchin (D-W.Va.) has raised concerns about the price tag of budget-reconciliation legislation, Americans are speaking out against its pending IRS reporting provision, ICBA President and CEO Rebeca Romero Rainey writes in a [new op-ed](#).

**Op-ed:** In [The Hill](#), Romero Rainey cites [poll results](#) showing 67% of voters oppose the plan—which would require banks to report customer account information to the IRS—and 64% do not trust the agency to monitor their account information.

**Campaign:** With the House Ways and Means Committee now considering the spending bill, ICBA continues calling on community bankers to use its [customizable email text and social media content](#) to urge their customers and other consumers to [contact Congress in opposition](#) to the plan.

**Briefing:** ICBA staff experts will discuss the IRS proposal and other pressing issues during a [complimentary briefing](#) slated for 11 a.m. (Eastern time) today, Sept. 10.

### **[JOIN BRIEFING](#)**

### **ICBA pushing grassroots on reconciliation tax hikes**

While ICBA's IRS campaign continues, it is also calling on community bankers to [speak out against](#) a comprehensive package of tax increases on community banks and their customers.

**Background:** As part of its \$3.5 trillion budget-reconciliation package, Congress is considering proposals to raise rates on pass-through shareholders and C corporations, cap the Section 199A deduction, increase the capital gains tax, and impose capital gains at death.

**Grassroots:** ICBA's [Be Heard grassroots action center](#) allows community banks to send customizable messages to their lawmakers opposing these proposed tax hikes.

**New Letter:** In a [joint letter](#) to the House Ways and Means Committee, ICBA and other business groups called for the continuation of the “stepped-up basis” tax policy, whereby capital appreciation during a decedent's lifetime is not subject to tax.

### **ICBA issues summary on CFPB 1071 proposal**

ICBA [published a summary](#) of the Consumer Financial Protection Bureau's proposed rule to implement Dodd-Frank Section 1071 data collection and reporting requirements for small-business lending.

**Details:** The summary includes the [proposed rule's](#) key definitions, collection and reporting standards, how the data will be maintained and published, and more.

**Background:** Section 1071 requires financial institutions to collect and report certain data on credit applications from women-owned, minority-owned, and small businesses, including the race, sex, and ethnicity of the principal owners.

**Narrow Exemption:** In a [national news release](#) last week, ICBA said it strongly supports a robust community bank exemption, but the proposal's exemption for those that originate fewer than 25 loans per year is far too narrow. [Read the summary](#).

### **Biden announces vaccine mandate for certain employers**

President Joe Biden said the Labor Department is developing an emergency rule to implement a COVID-19 vaccine mandate on all employers with 100 or more employees.

**Details:** In a [public speech](#), Biden said the rule will require these employers to ensure their workforces are fully vaccinated or show a negative test at least once per week.

**Impact:** Biden said the rule, which is part of a series of new federal vaccine policies, will apply to an estimated 80 million workers.

### **FDIC updates brokered deposits page**

The FDIC updated its [brokered deposits webpage](#). Changes include:

- An updated list of entities for which a Primary Purpose Exception Notice has been filed with the FDIC.
- Updates to the question-and-answer document.

**More:** The webpage includes comprehensive information about the regulatory changes that took effect April 1.

### **ICBA issues climate change position paper**

ICBA this week released a [position paper](#) on the potential impact of new climate change regulations on community banks.

**Details:** The paper spotlights legislative and regulatory climate change efforts and says:

- Community banks are experts at monitoring the risk of their lending and investment portfolios and do not need more regulation to manage their potential climate risks.
- ICBA will oppose any climate risk regulation that adversely affects community banks and their ability to support their communities and customers. [Read the paper.](#)

### **Fed publishes paper on community bank-fintech partnerships**

The Federal Reserve Board [published a paper](#) on partnerships between community banks and fintech companies.

**Insights:** The paper draws on insights from outreach to community bank and fintechs on decisions that support effective partnerships.

**Themes:** Fed Governor Michelle Bowman [said](#) the agency's research identified two key themes: establishing trust and building a long-term culture committed to innovation.

**ThinkTECH:** ICBA and The Venture Center recently launched the application period for the [2022 ICBA ThinkTECH Accelerator program](#), which will feature virtual and in-person visits to support community bank-fintech collaborations.

### **FDIC announces N.J., N.Y. Ida relief**

The [FDIC announced](#) regulatory relief to facilitate recovery in areas of New Jersey and New York affected by remnants of Hurricane Ida. The agency is encouraging banks to work constructively with borrowers experiencing difficulties beyond their control because of damage caused by the severe weather.

### **FROM OTHER SOURCES**

- **IBANYS received the following notices and below from the Small Business Administration:**
  1. "The purpose of the (attached) notice is to provide additional guidance for situations when SBA 7(a) guaranteed loan proceeds will be used to refinance a short-term loan originally made with the intent to be refinanced with the SBA-guaranteed loan. Please read the (attached) notice in its entirety and reach out with any questions." Contact Lender Relations Specialists Valerie Shoudy: [valerie.shoudy@sba.gov](mailto:valerie.shoudy@sba.gov). or Grace Conners: [grace.conners@sba.gov](mailto:grace.conners@sba.gov).

2. **SBA Administrator Guzman Enhances COVID Economic Injury Disaster Loan Program to Aid Small Businesses Facing Challenges from Delta Variant. This is a significant update to the EIDL program.** It increases eligibility and, critically, dramatically expands the use of proceeds to allow pre-payment of commercial debts. Our office will be scheduling a webinar to discuss the changes in detail soon. Below are some additional materials that have been posted to our website that may be helpful for you and your constituents.

- [Updated FAQ](#)
- [Program Changes Overview](#)
- [Intake Application Form Checklist](#)
- [Sample Application](#)
- [COVID EIDL Portal Walk-Through](#)

\*\*\*\*\*

- President Biden's [aggressive move to expand](#) the number of vaccinated Americans and halt the spread of the Delta variant is not just an effort to save lives. The [plan](#) that [Mr. Biden announced](#) on Thursday is also an attempt to counter the [continuing and evolving threat](#) that the virus poses to the economy. [https://www.nytimes.com/2021/09/09/us/politics/biden-vaccines-economy.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_bpRF0mjfmGWjGwhjLmUIN4xZJhtPCy\\_A3\\_gQMRWImfDgjcOTs9UsAGWD6RK8v2JPqe-59zJebmSFcC-VNe-gyF5p-lbVKkKc9jeZm4p6naQ0](https://www.nytimes.com/2021/09/09/us/politics/biden-vaccines-economy.html?mkt_tok=ODUwLVRBQS01MTEAAAF_bpRF0mjfmGWjGwhjLmUIN4xZJhtPCy_A3_gQMRWImfDgjcOTs9UsAGWD6RK8v2JPqe-59zJebmSFcC-VNe-gyF5p-lbVKkKc9jeZm4p6naQ0)
- [The White House calls it a 6-point plan](#), but there were two big new things that President Biden announced. He is leveraging the unilateral power of the federal government to expand vaccination mandates to some 100 million Americans, and using federal authorities to surge the production and distribution of rapid Covid tests, including at-home tests.
- [The U.S. Food and Drug Administration could grant emergency use](#) authorization to Pfizer for its COVID-19 vaccine in children 11 years of age and younger as early as November, according to Dr. Fauci. The Moderna vaccine could be approved for children less than 12 years old just a few weeks later.
- Los Angeles is the first major school district in the United States to mandate coronavirus vaccines for students 12 and older who are attending class in person, a move that will eventually apply to more than 460,000 students, [the Times reports](#).
- Filings for jobless benefits last week fell to a pandemic low, extending a downward trend as demand for labor remains high and employers hold onto workers despite the Delta variant of Covid-19. [https://www.wsj.com/articles/weekly-jobless-claims-09-09-2021-11631136633?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_bpRF0TQ7eVqRamur72gNijJXoDeLDnbZrGyV6a6jGiuNz\\_wAO5AJCXhHLzw-nANzsFn1-vXVtaiIKK\\_3zPs1ITmaBMhvsaNb3cybm7EGNXax](https://www.wsj.com/articles/weekly-jobless-claims-09-09-2021-11631136633?mkt_tok=ODUwLVRBQS01MTEAAAF_bpRF0TQ7eVqRamur72gNijJXoDeLDnbZrGyV6a6jGiuNz_wAO5AJCXhHLzw-nANzsFn1-vXVtaiIKK_3zPs1ITmaBMhvsaNb3cybm7EGNXax)
- Treasury Secretary Yellen told a group of financial regulators during a private meeting of the Financial Stability Oversight Council that not addressing the country's debt ceiling in a "timely manner" could lead to "financial stability implications." They also discussed the commercial real estate market and how climate change could impact the financial system, which is slated for November. [Bloomberg](#)
- A third of U.S. consumers who used "buy now, pay later" services have fallen behind on one or more payments, and 72% of those said their credit score declined, a new study published by personal finance company Credit Karma showed. [https://www.reuters.com/technology/buy-now-pay-later-surges-third-us-users-fall-behind-payments-2021-09-09/?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_bpRF0S45P1u00PljdcWuLD3CTRkwv2B6p7naN](https://www.reuters.com/technology/buy-now-pay-later-surges-third-us-users-fall-behind-payments-2021-09-09/?mkt_tok=ODUwLVRBQS01MTEAAAF_bpRF0S45P1u00PljdcWuLD3CTRkwv2B6p7naN)

[mSBQ36vUyJc7KUBHin5k0A6nZR2UZFIvebcqPpqKeCfw5OEKCTQgWkTbY3k1NABb4pgOpOq](#)

- Senate Banking Chairman Brown (D-OH) and Senate Finance Chairman Wyden (D-OR) propose taxing the amount companies spend on stock buybacks at 2%. Democrats say it would raise \$270 billion over a decade to go toward the chamber's \$3.5 trillion social policy spending bill. The Finance Committee is also considering rule changes that would make it more difficult for companies to use business partnerships to avoid some taxes. [The New York Times](#)
- Democrats included a provision in their \$3.5 trillion healthcare, education and climate bill requiring companies without retirement plans to automatically enroll workers in individual retirement accounts. The House Ways and Means Committee on Thursday voted 22-20 to approve the measure. [https://www.wsj.com/articles/democrats-advance-plan-to-require-employers-to-offer-retirement-plans-11631225199?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_bpRF0R2krCamroUnOozC7t\\_yU0ybDPL6d0YBpiO8\\_sbDPCxeQUuXsMAC7c0DPDAy6Kiw9HPudjjw6Bek56-ErYETdIYMM0XzjProizT9\\_jzL](https://www.wsj.com/articles/democrats-advance-plan-to-require-employers-to-offer-retirement-plans-11631225199?mkt_tok=ODUwLVRBQS01MTEAAAF_bpRF0R2krCamroUnOozC7t_yU0ybDPL6d0YBpiO8_sbDPCxeQUuXsMAC7c0DPDAy6Kiw9HPudjjw6Bek56-ErYETdIYMM0XzjProizT9_jzL)
- The Congressional Budget Office (CBO) estimates that the nation's deficit has reached \$2.7 trillion in 11 months of the current fiscal year. The nonpartisan agency's report said the figure was \$295 billion less than the federal budget deficit recorded during the same period in the previous fiscal year. [https://thehill.com/policy/finance/budget/571589-us-deficit-has-reached-27-trillion-in-the-past-year-cbo-estimates?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_bpRF0VGJQsb-HASmgvaP0ktwpOWGIzZNE54akaevuC-ZvqSUC-86DHdIVxyM0efnxBX7M0obpxo1GtKBS7TtS-Jljxy6P1yLuoo7ExFRULF](https://thehill.com/policy/finance/budget/571589-us-deficit-has-reached-27-trillion-in-the-past-year-cbo-estimates?mkt_tok=ODUwLVRBQS01MTEAAAF_bpRF0VGJQsb-HASmgvaP0ktwpOWGIzZNE54akaevuC-ZvqSUC-86DHdIVxyM0efnxBX7M0obpxo1GtKBS7TtS-Jljxy6P1yLuoo7ExFRULF)
- Fed officials will seek to forge agreement at their coming meeting to begin scaling back their "easy money policies" in November. Many have said in recent interviews and public statements that they could begin reducing, or tapering, their \$120 billion in monthly purchases of Treasuries and mortgage-backed securities this year. [https://www.wsj.com/articles/fed-officials-prepare-for-november-reduction-in-bond-buying-11631266200?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_bpRF0T2sga-VJ89gf9DL0Szhpc-9PYZkYb-4saX\\_mJiaivUVrmNxdR8VuRY8nGFpgBRG1kYUhc\\_7oeDPYNQPkDuYc-rdRXbB6JleunOJ5HmE](https://www.wsj.com/articles/fed-officials-prepare-for-november-reduction-in-bond-buying-11631266200?mkt_tok=ODUwLVRBQS01MTEAAAF_bpRF0T2sga-VJ89gf9DL0Szhpc-9PYZkYb-4saX_mJiaivUVrmNxdR8VuRY8nGFpgBRG1kYUhc_7oeDPYNQPkDuYc-rdRXbB6JleunOJ5HmE)

## FROM NEW YORK

- As the state's COVID-19 numbers continue to rise amid the Delta variant, Governor Hochul said New York could be headed toward a staffing crisis in the health care sector if more workers don't get vaccinated. The state's requirement for health care workers to get vaccinated — or lose their jobs — could take a significant chunk out of that industry's workforce. <https://wskg.org/news/new-york-governor-warns-of-health-care-staffing-shortage-hospital-bed-capacity/>
- An organization representing landlords in New York on Thursday moved to block the extension of New York's moratorium on pandemic-related evictions, arguing the move by state lawmakers last month conflicted with a U.S. Supreme Court ruling. New York's largest landlord group, the Rent Stabilization Association, filed a motion with the Second Circuit Court of Appeals. [Read More; the New York Post reports.](#)
- Brian Benjamin became New York state's lieutenant governor at a swearing-in ceremony at Gov. Kathy Hochul's Manhattan office — and finally addressed ethics questions about his past dealings in the state Senate and his personal finances, [the Daily News reports.](#) . . [Brian Benjamin is sworn in as New York lieutenant governor](#)

- New York City Mayor Bill de Blasio has ordered the city's more than 300,000 employees to report to work five days a week starting Monday, with no general hybrid or remote option – a move that will be closely watched in cities across the nation, [The New York Times reports](#).
- New York City is adding one more item to its growing roster of vaccine mandates and requirements: pre-kindergarten, child care, and after-school staff in city-contracted programs [will have to get the shot](#) by Sept. 27. The new group covers about 25,000 people.
- Former State Senator Brian Benjamin became New York state's lieutenant governor at a swearing-in ceremony at Gov. Kathy Hochul's Manhattan office. [the Daily News reports](#).
- [The COVID death toll among](#) Sept. 11 first responders is nearing a grim milestone.
- [NY marijuana board picks up a member from the Hudson Valley](#) Senate Majority Leader Stewart-Cousins made her pick for the state's Cannabis Control Board, which is tasked with regulating and overseeing the legal marijuana and hemp markets in the state. Stewart-Cousins named Former State Senator Jen Metzger. Assembly Speaker Carl Heastie has appointed Buffalo-area attorney Adam Perry.

###

**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](mailto:Johnw@ibanys.net); 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations ([Stever@ibanys.net](mailto:Stever@ibanys.net))**