

Tuesday, September 14, 2021
To: New York Community Banks

FROM ICBA

Lawmakers weigh in against IRS reporting plan

House and Senate Republicans pushed back against an ICBA-opposed IRS reporting proposal while ICBA continues urging community bankers to [activate consumers using custom resources](#).

Legislation: Senate Finance Committee Ranking Member Mike Crapo (Idaho) and House Ways and Means Ranking Member Kevin Brady (Texas) [introduced legislation](#) to prohibit the new bank reporting requirements, among other provisions.

Joint Letter: Meanwhile, a [joint letter](#) to key policymakers from 142 House Republicans said the proposal is not necessary or helpful in closing the gap between taxes owed and paid.

Markup: With the House Ways and Means Committee continuing its markup of major spending legislation tomorrow, ICBA continues offering [customizable email text and social media content](#) to help community bankers urge consumers to [contact Congress in opposition](#).

Response: Nearly 60,000 consumers have sent nearly 180,000 messages to their members of Congress expressing opposition to the IRS plan.

[CUSTOM RESOURCES](#)

ICBA: hearing should focus on CU acquisitions

ICBA urged the House Financial Services Committee to use an upcoming [subcommittee hearing](#) on the future of banking to examine the role of credit unions on banking industry consolidation.

Letter: In a [letter to the committee](#), ICBA said credit union acquisitions of taxpaying community banks is a product of the tax exemption and lax National Credit Union Administration oversight.

Latest: Following two recent deals that marked the 100th and 101st credit union acquisitions of community banks since 2003, ICBA issued a [national news release](#) noting these purchases eliminate locally based lenders, exacerbate consolidation, and cut regulatory safeguards.

Grassroots: Community bankers can continue urging Congress to hold hearings on credit union acquisitions via a customizable message to lawmakers on ICBA's [Wake Up page](#) and its [Wake Up Messaging Playbook](#).

Grassroots taking 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.

ICBA issues financial inclusion paper, joins FDIC 'tech sprint'

ICBA issued a paper on financial inclusion after participating in last week's FDIC "tech sprint" to help banks serve unbanked consumers.

Paper: In its [new white paper](#), ICBA discusses:

- Community bank solutions to reach the unbanked population, including credit building, using alternative data, and expanding financial literacy.

- Policy recommendations to promote inclusion, such as promoting mission-oriented banks and responsible small-dollar lending

Tech Sprint: ICBA also joined the Milken Institute and Sunrise Banks for the [“Breaking Down Barriers”](#) tech sprint, where the groups presented the plan to bring unbanked consumers into the banking system.

ICBA: Basel proposal should reflect cryptoasset variety

ICBA expressed support for the Basel Committee on Banking Supervision’s work with banking supervisors to develop prudential regulations on cryptoasset exposures.

Background: The Basel Committee’s proposal—the first step in developing additional guidance—lays out plans to categorize cryptoassets into two groups. Group 2—which includes Bitcoin, Ethereum, and other cryptoassets without any backing—would have a 1,250% risk weighting.

Comment Letter: Among [its comments](#), ICBA said:

- Regulators must cooperate internationally because cryptoassets are a global phenomenon.
- More categories and risk weightings would reflect the diversity of cryptoassets and their various functions.

More: Recent ICBA blog posts detail [growing stablecoin risks](#) to consumers and the financial system as well as [how policymakers are responding](#).

ICBA offers summary on CFPB 1071 proposal

ICBA recently [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](#), 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](#).

FDIC issues Q2 state profiles

The FDIC issued its [state profiles](#) for the second quarter of 2021. The series provides quarterly summaries of banking and economic conditions in each state.

FROM OTHER SOURCES

You're Invited: COVID EIDL Updates From SBA Upstate New York

As mentioned late last week, SBA has published new rules to enhance and expand the COVID Economic Injury Disaster Loan program, including a cap increase from \$500K to \$2M, expansion of eligible use of funds, and more. The SBA Upstate New York office will host a webinar to discuss these enhancements and how they benefit small businesses in Upstate NY this Thursday, 9/16. **We wanted to share the following invite and information we received from the SBA Upstate New York office:**

"On September 9, U.S. Small Business Administration (SBA) Administrator Isabella Casillas Guzman announced major enhancements to the [COVID Economic Injury Disaster Loan \(EIDL\) program](#), a federal disaster relief loan designed to better serve and support our small business communities still reeling from the pandemic. The SBA is ready to receive new applications immediately from small businesses looking

to take advantage of these new policy changes. **The SBA Upstate New York District Office will lead a webinar providing an overview of the changes to the COVID EIDL program, instructions for how to apply, and resources for applicants. There will also be an opportunity for participants to ask questions. Learn more and register: <http://ow.ly/RMbV50G90ly>**

Thursday, September 16, 2021 10:00 AM – 11:00 AM EDT

[Register here](#)

- A strong majority of Americans — including suburban and independent voters — support vaccine mandates for federal workers and private companies, Axios' Margaret Talev [writes](#) from the [Axios/Ipsos Coronavirus Index](#). The findings, on the heels of President Biden's [mandate announcement](#) last week, suggest his move is politically safer than some thought. Ipsos U.S. Public Affairs said Biden's move "especially reinforces himself with independents." Overall responses were virtually identical: 60% supported both, and 38-40% opposed both. [Share this graphic.](#)
[.White House's COVID-19 Vaccination Mandates Have the Support of About 3 in 5 Americans](#)
- Top infectious-disease expert Dr. Anthony S. Fauci says air travelers should get the coronavirus vaccine to fly. "I would support that if you want to get on a plane and travel with other people, that you should be vaccinated," he told the Skimm.
https://www.washingtonpost.com/travel/2021/09/13/fauci-vaccine-mandate-air-travel/?mkt_tok=ODUwLVRBQs01MTEAAAF_g0AdOUDNoUEp9WWrb1XrzkMu67ebzWhRSxzzr3GskyCwaX2HABnpu0d2lq9QkSJKVx-J55LynZrqpCORjAceJJVuvmUMF4ErpUXu6P0FyooQ.
- A group of international experts - including, notably, two outgoing Food and Drug Administration vaccine regulators - argues in a new paper against offering Covid-19 vaccine boosters to the general population. https://www.statnews.com/2021/09/13/international-review-argues-against-covid-19-vaccine-boosters/?mkt_tok=ODUwLVRBQs01MTEAAAF_g0AdOdz0D-vqiUCH18Q3xx0kU6AHUHW_RqteyAcTfu-9QFrLc-OogiLgXWJwdD3p45eZ_v2uduZKv_qD19Qya7Ms1zmy99Ui4xECtjvzPvV
- The COVID-19 vaccination rollout led to [influxes of patients](#) returning to doctors this summer, but many surgeries are [getting postponed](#) again as the Delta variant spreads throughout unvaccinated areas, Axios' Bob Herman reports.
- On the cusp of Memorial Day, most lobbyists were gearing up for a return to in-person work. But the delta variant's rise has prompted most firms to postpone requirements for employees to return to the office, and many K Street denizens said most of their advocacy activities and team meetings remain virtual. [Read more...](#)
- House Democrats said they will "undo" the \$10,000 cap on the federal deduction for state and local taxes (SALT), after the Ways and Means Committee didn't address the tax break in a package of proposals released Monday. Ways and Means Chairman Neal (D-MA) and Representatives Tom Suozzi (D-L.I.) Bill Pascrell (D-NJ) said the Committee's tax plan was not the final step for legislation to enact President Joe Biden's agenda.
https://www.bloomberg.com/news/articles/2021-09-13/democrats-plan-meaningful-change-to-cap-on-salt-deduction?mkt_tok=ODUwLVRBQs01MTEAAAF_gzjUQdxBlT5eTyvn6b-jtUaJTVoCTnR4L9BdP-ernN6BqNDSJkC1HHMpTikmJQYyHbVaMBuxqFucfZGspLeai1ff-hrttVwMbalqyKfsqeEt
- Former Sen. Chris Dodd and former Rep. Barney Frank -- the two main sponsors of the 2010 Dodd-Frank financial-regulatory legislation, said President Biden should reappoint Fed Chairman Jerome Powell to a second term. The endorsement is notable because the Fed chairman has encountered stiff resistance from some liberal Democrats who are disappointed at measures to ease financial regulations under Mr. Powell. https://www.wsj.com/articles/chris-dodd-barney-frank-back-fed-chairman-powell-for-second-term-11631570776?mkt_tok=ODUwLVRBQs01MTEAAAF_gzjUQMW1e4aQecbZVQ-fn-

[dZCckxCpqOw5WUQtA5cR -Pbf_Kdnpf-9xJk1BD17zGMFTMCyOI353smOWY-LipudL4ZdjzxdnECXANM1vZEvK](https://www.wsj.com/articles/u-s-budget-deficit-narrowed-to-2-7-trillion-in-first-11-months-of-fiscal-year-11631556001?mkt_tok=ODUwLVRBQS01MTEAAAF_gzjUQVBdDlvBWmD1khAMUeUrb25zMvSS3XfXO-pfYmwcZcQjvKi26_Zy4uqkhrchPUVE6Oj67CGUk7zgoJJoVWp0JRWRw61CTZiP6okkCV-u)

- The U.S. budget deficit narrowed to \$2.7 trillion during the first 11 months of the fiscal year from \$3 trillion in the same period a year earlier, with the gap between spending and revenue declining as the recovery from a pandemic-induced slump boosted taxes. https://www.wsj.com/articles/u-s-budget-deficit-narrowed-to-2-7-trillion-in-first-11-months-of-fiscal-year-11631556001?mkt_tok=ODUwLVRBQS01MTEAAAF_gzjUQVBdDlvBWmD1khAMUeUrb25zMvSS3XfXO-pfYmwcZcQjvKi26_Zy4uqkhrchPUVE6Oj67CGUk7zgoJJoVWp0JRWRw61CTZiP6okkCV-u
- President Biden will nominate Acting Chairman Rostin Behnam to lead the Commodity Futures Trading Commission, and Christy Goldsmith Romero of the Treasury Department's Troubled Asset Relief Program and Emory University law professor Kristin Johnson as Democratic commissioners. Incumbent Dawn Stump will be the agency's only Republican commissioner. It's expected that the CFTC will focus on climate change and cryptocurrency-related rules. [Bloomberg](#)

FROM NEW YORK

- Governor Kathy Hochul today updated New Yorkers on the state's progress combating COVID-19. For all the data: <https://www.governor.ny.gov/news/governor-hochul-updates-new-yorkers-states-progress-combating-covid-19-19>
- More than a dozen medical workers in upstate New York sued the Empire State in federal court Monday, alleging the order that all nursing home and hospital workers be vaccinated is unconstitutional. [Medical Professionals Sue NY State Over Vaccine Mandate](#)
- Domestic tourists are returning to New York City in greater numbers despite concerns over the Delta variant and rising COVID cases. International visitors remain predominantly sidelined. According to the Times Square Alliance, more than 200,000 people per day passed through the iconic entertainment district during the month of August -- double the foot traffic numbers from March 2021, though still half of pre-pandemic levels. Hotel occupancy approached 500,000 room nights sold per week in July, up from 370,000 in May. [Tourists making a slow return to New York](#)
- [The Warren County Department of Public Health](#) is preparing to offer its first COVID-19 "booster" shots as soon as Sept. 20.
- Several state and federal investigations into COVID-19 outbreaks in nursing homes in the Northeast remain active amid mounting revelations of the true coronavirus death toll among frail and elderly Americans, [Gannett Albany reports](#).
- Just 58% of Metropolitan Transportation Authority employees have told the agency they are vaccinated for COVID-19, with unvaccinated workers accounting for all three transit worker deaths from the virus this summer, [the New York Post reports](#).
- Governor Kathy Hochul was viewed favorably by a more than 2-to-1 margin in [the first poll](#) by the Siena College Research Institute conducted during her tenure, but a sizable share of voters have yet to form an opinion on her. 42% percent of registered voters viewed the new governor favorably; 17% held an unfavorable view. Democrats viewed her favorably by a margin of 55-9. However, two in five New Yorkers don't yet have an opinion of her. New York voters gave her high marks for taking a more collaborative approach to governing than her predecessor, and a majority were energized by having a woman governor for the first time. [Siena poll: Hochul popular, but still somewhat unknown. Read More](#)
- That same Siena College poll found that a majority of registered voters in New York support public schools requiring all teachers and staff to be vaccinated and for businesses, including restaurants and gyms, to require customers to show proof of vaccination, [the Times Union reports](#). The poll also found that while 40% of voters think the worst of the pandemic is over, 44% say the worst is still to come -- a major change from May, when by a 69%-19% margin, voters thought the worst was over.

- Americans' expectations of future inflation hit a record high last month, according to a new report from the Federal Reserve Bank of New York, potentially challenging the central bank's confidence that inflation pressures will ebb over time. https://www.wsj.com/articles/new-york-fed-survey-shows-inflation-expectations-at-record-highs-in-august-11631545200?mkt_tok=ODUwLVRBQS01MTEAAAF_gzjUQIKfv-FSw3I2GzXNLGUKPfk-SMKpxov5K7gEeUHxz_-3BaXfSarXd8T2Eup9btzM790_WNGb6wDEDGFrFcvJMnxOypUxKyIT9CVyU7mY
- Lewis County General Hospital in upstate New York is planning to suspend delivering babies starting in a few weeks because some of its labor, and delivery nurses resigned rather than comply with the state's COVID-19 vaccine mandate, [the Times reports](#).
- The state Department of Health continues to see turnover among its employees as its second-in-command, Lisa J. Pino, departed Thursday after a little more than a year in the job, [the Times Union reports](#).
- Governor Hochul's nomination of Adrienne Harris for Superintendent of Financial Services is facing resistance from some legislators and activists on the left, who cite her past comments on regulation and her involvement with the industry group [Alliance for Innovative Regulation](#). “The way we tend to regulate financial services, and most industries in the United States, is – and I always took a little bit of an issue with this – it’s sort of like the list of no-no’s,” Harris said in a [2020 interview](#) while extolling the benefits of a light regulatory touch. <https://www.cityandstateny.com/politics/2021/09/backlash-grows-over-hochul-dfs-nominee/185289/>
- After months of delays, appointments are finally being made to New York state's cannabis control board. The board will regulate the budding industry by issuing or revoking licenses, and crafting regulations for home-grown cannabis consumption. [Read More](#)

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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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