

September 15, 2021
To: New York Community Banks

FROM ICBA

Romero Rainey: Continue tapping consumer opposition to IRS plan

Community banks should continue using ICBA resources to spread the word about the IRS bank reporting proposal, ICBA President and CEO Rebeca Romero Rainey writes in [a new blog post](#).

Blog: In the post, Romero Rainey notes that ICBA's [campaign resources](#) are generating a vocal [response from consumers](#) concerned about the proposals' impact on privacy and small businesses.

Latest: While the proposal was not included in legislative language that the House Ways and Means Committee continues considering [today](#), lawmakers have many opportunities in the coming weeks to add it to the pending budget reconciliation package.

Resources: ICBA's customizable [email text and social media content](#) help community bankers urge consumers to [contact Congress in opposition](#) to the plan.

READ THE POST

Grassroots: Tax hikes included in reconciliation package

While the budget package does not yet include the IRS reporting plan, legislative language released this week contains ICBA-opposed tax increases that community bankers can [speak out against](#).

Background: The [legislative text](#) includes ICBA-opposed 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

FHFA, Treasury suspending portions of GSE agreement changes

The Federal Housing Finance Agency and Treasury Department [suspended](#) ICBA-opposed provisions of Fannie Mae and Freddie Mac's Preferred Stock Purchase Agreements.

Provisions: As advocated by ICBA, the suspended provisions include limits on the enterprises' cash windows, multifamily lending, loans with higher risk characteristics, and second homes and investment properties.

Capital: The FHFA also said it is reviewing the Enterprise Regulatory Capital Framework and expects to announce further action "in the near future."

ICBA Position: ICBA has repeatedly urged the FHFA to reopen negotiations over the PSPAs and delay implementation of the restrictions, which set arbitrary and inflexible limits on GSE acquisitions and cash window operations.

ICBA urges National Flood Insurance Program extension

ICBA and other groups [called on](#) congressional leaders to extend the National Flood Insurance Program before it expires on Sept. 30.

Background: While ICBA supports NFIP reforms to provide long-term stability, an extension is needed to avoid a lapse in coverage for policyholders.

Letter: In the joint letter, the groups said an extension will provide Congress time to enact substantive program reforms, including improved flood maps and mitigation measures.

FDIC webinar on consumer complaint management

The FDIC announced an [upcoming webinar](#) to provide an overview and updates on consumer complaint management. Scheduled for 2 p.m. (Eastern time) Tuesday, Oct. 5, the webinar will feature recent complaint data and information on complaint management.

OCC issues problem bank supervision booklet

The [OCC issued](#) a new "Problem Bank Supervision" booklet of the Comptroller's Handbook. This booklet, which replaces an examiner's guide issued in January 2001, is part of the Examination Process series.

ICBA issues natural disaster guide

ICBA [published a new guide](#) to help community banks prepare for natural disasters.

Guide: The guide features state and event-specific resources, emergency response services, business-continuity planning tools, and exercising plans.

More: Additional resources are available on the natural disaster section of ICBA's [Operational Risk page](#).

Treasury releasing additional rental assistance

The Treasury Department [said](#) it will release \$13 billion in remaining Emergency Rental Assistance funding to high-performing state and local government grantees. Grantees are eligible once they have substantially expended the first round of relief.

Small-biz optimism edges up in August

Small-business optimism improved slightly in August, though confidence in future conditions is declining, according to the National Federation of Independent Business's [optimism index](#). While the index rose 0.4 points from July to 100.1, 50% reported job openings that could not be filled—the second consecutive record high.

Consumer prices slow in August

The Consumer Price Index [increased](#) a seasonally adjusted 0.3% in August after rising 0.5% in July, the Labor Department reported. A 2.8% increase in the gasoline index led the increase in the CPI, which is up 5.3% over the past year.

FROM OTHER SOURCES

COVID EIDL Updates From SBA Upstate New York

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](#)

- COVID-19 deaths and cases in the U.S. have climbed back to levels not seen since last winter, erasing months of progress and potentially bolstering President Joe Biden's argument for his sweeping new vaccination requirements. The cases — driven by the delta variant combined with resistance among some Americans to getting the vaccine — are concentrated mostly in the South. <https://apnews.com/article/joe-biden-health-texas-coronavirus-pandemic-kentucky-9e89fcef6ef184baa4703a47d2aefab6>
- Moderna's shot may maintain a higher effectiveness over time than Pfizer's, even though they're based on similar technology, Axios' Caitlin Owens [reports](#). The gap could always disappear with more data, and both vaccines remain very effective against severe disease. But if the gap does hold up, it raises questions about whether the two vaccines should be treated the same way policy-wise.
- In a [study released last week](#), the CDC found that Moderna was significantly more effective against hospitalizations than the Pfizer or J&J vaccines. Pfizer was the first vaccine authorized for use in the U.S. and began being administered several weeks before the Moderna vaccine. "Because of the way the rollouts happened, the oldest and most vulnerable and sickest people, like nursing home residents, got Pfizer," said Cornell virologist John Moore. However, the CDC study found that Moderna's efficacy was higher across all ages.
- Both vaccines are nearly equal in their capacity to "do what a vaccine needs to do, which is protect against severe illness," said Paul Offit, director of the Vaccine Education Center at the Children's Hospital of Philadelphia. [Go deeper](#).
- The Biden administration's push to roll out coronavirus vaccine booster shots this month has reportedly largely been shaped by data from Israel's vaccination campaign. It shows the Pfizer vaccine's ability to prevent severe disease and hospitalization is waning over time — as is the shot's protection against mild and moderate disease. CDC studies also show the shots are less effective at preventing infection from Delta than against older strains. https://www.politico.com/news/2021/09/14/covid-israel-data-vaccine-efficacy-511777?mkt_tok=ODUwLVRBQS01MTEAAAF_iHGTYCaEKVwm0D9h3GZ-Z1V-GLAjSa9v0hbH0bY8ve0jY4O_C9gD0PYzMpTTJdR4709SXXkhtIfsdjcAEMfZIWswMw_UqFtj_tz2bUNfayIw
- Pfizer and BioNTech expect to apply for approval from the U.S. Food and Drug Administration (FDA) for their coronavirus vaccine for use in children between the ages of 6 months and 5 years old in November. https://www.politico.eu/article/pfizer-us-vaccine-approval-children-6-months-5-years-old/?mkt_tok=ODUwLVRBQS01MTEAAAF_iHGTYBk8SNiKsOzyHyYog-Q8Yf9rGYt1eZpRRsL0odeK1pET7kIBraeYBht9LDDrvYtjSqdt-i5uIftWb7bHUkTPMIhJtQpQ5ojTATzqVC-X
- The latest weekly tally of pediatric COVID-19 cases topped 243,000 infections, just shy of a record number, according to the latest report from the American Academy of Pediatrics. Children made up 28.9% of all reported COVID cases in the latest data. https://www.axios.com/newsletters/axios-vitals-7d986a1f-c6b3-442f-9e84-aaa086a2cf58.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top

- The Treasury Department has suspended changes to Fannie and Freddie made in the final days of the Trump administration that were designed to help the mortgage giants exit government control, with the FHFA noting Fannie and Freddie can still build capital while those rules are in review. Senate Banking Chairman Sherrod Brown (D-OH) said the Trump-era changes were "haphazard" while Senator Pat Toomey (R-Pa.), Ranking GOP Member of the Committee, said the pause could risk "overheating an already-hot market." [Reuters](#)
- [WaPo's Dan Diamond reports](#) that "senior advisers in the Trump administration in February 2020 privately discussed the government's 'critical mistakes' in preparing for the coronavirus, countering optimistic claims Trump made in public, according to emails obtained by the House select subcommittee on the pandemic."
- The Treasury Department said Tuesday it plans to award the remaining \$13 billion in federal rental aid to states and localities that have been the most effective at delivering the assistance, in a new bid to speed up the housing rescue. https://www.politico.com/news/2021/09/14/treasury-rental-aid-evictions-511795?mkt_tok=ODUwLVRBQS01MTEAAAF_iFz39XDm5QDUw8Je-k4BrutNKM3Sozjm2mpXNT7ToWt225dW4rJWv-agYCoX1cR5n60tFtc_wRkuro_s4S1aUKKknCJdS2wwiGZCNdCPLNu
- [On the federal level, any business](#) with more than 100 employees will face its own vaccine mandate. But exactly how that will work still isn't totally clear.
- House Democrats are considering a two-year repeal as one of their potential paths to undoing the \$10,000 cap on the federal deduction for state and local taxes. Senior Ways and Means Committee Democrat Bill Pascrell of New Jersey said the temporary rollback is one of the "main considerations" before the Democratic caucus now. https://www.bloomberg.com/news/articles/2021-09-14/salt-cap-rollback-for-two-years-debated-by-house-democrats?mkt_tok=ODUwLVRBQS01MTEAAAF_iFz39ePG-oIlu_p_6Ng4HpPpMnSJcE5dqxWW9xs6-P4GRXXm7OGic97LnmrbsqF48oKSJk12vgySVi7IncVT0rcIUOXD2mTwkXNITAtobecE
- Inflation cooled slightly in August but remained strong, as a surge in Covid-19 infections slowed economic growth and pandemic-related shortages of labor and supplies continued to drive up prices. The Labor Department said last month's consumer-price index rose a seasonally adjusted 0.3% in August from July, slower than the 0.5% one-month increase in July, and down markedly from June's 0.9% pace. https://www.wsj.com/articles/us-inflation-consumer-price-index-august-2021-11631564849?mkt_tok=ODUwLVRBQS01MTEAAAF_iFz39Sapopx3ZisD_BQDrb4J2cnaAAbU7vAGoGFzLBWWiv8HXi9pqmLOvVmwEg3IOQUFpf_AkmxKE39HHIHLZLnNNGRv1s3D41ccb9M5_JRn
- Americans in 2020 saw their first significant decline in household income in nearly a decade, with economic pain from the Covid-19 pandemic prompting government aid that helped keep millions from falling into poverty. An annual assessment of the nation's financial well-being, released Tuesday by the Census Bureau, offered insight into how households fared during the pandemic's first year. https://www.wsj.com/articles/americans-incomes-fell-in-2020-census-figures-show-11631629285?mkt_tok=ODUwLVRBQS01MTEAAAF_iFz39jC2ui3g8eyRN_A7iaEAxBN1SUu_411YBESzmekYaPe723pCljeJdFTHJW0D0aCBZct6jFK9ZZwP1BKe_tGAaZ019HUCJRahQ9-Rnf8O
- Wells Fargo & Co. (which has the biggest workforce of any U.S. bank) delayed its return-to-office plans by another two weeks to early November. The bank previously planned on beginning the process Oct. 18. https://www.bloomberg.com/news/articles/2021-09-14/wells-fargo-pushes-back-return-to-office-date-again-to-nov-1?mkt_tok=ODUwLVRBQS01MTEAAAF_iFz39aEy0GAU-

[4VUGtVbtMGnY89eckgVrsbLij3FAbMOP88pb0fFx5BAatga-hS3FTkd3wF4dUOME6f7FKb2DP0tr1toP_JanB8y71Q-PNN4d](https://www.nytimes.com/2021/09/14/nyregion/congress-redistricting-ny.html)

- A Republican-led bid to recall Gov. Gavin Newsom of California ended in defeat as Democrats in the nation's most populous state closed ranks against a small grass-roots movement that accelerated with the spread of COVID-19, [The New York Times reports](#).

FROM NEW YORK

- The pace of aid distribution for people who are struggling financially during the COVID-19 has picked up in the last several weeks, Gov. Kathy Hochul's office on Tuesday said, with more money going out the door to tenants behind on their rent and undocumented immigrants who did not qualify for federal stimulus checks. [Read more](#).
- The New York State Supreme Court has issued a temporary restraining order against New York City's vaccine requirements for municipal workers. The order means the city cannot enforce its COVID-19 vaccine mandates, pending a hearing on September 22nd. https://gothamist.com/news/temporary-restraining-order-issued-against-nyc-vaccine-or-test-requirement-city-employees?utm_source=feedly&utm_medium=webfeeds
- The number of active COVID-19 cases in Onondaga County has doubled from a month ago, with more than 1,000 cases. In the city of Syracuse that number has tripled, compared to August, with 365 active cases. Elected officials continue to push for more people to get vaccinated. <https://www.wrvo.org/regional-news/2021-09-15/as-covid-19-cases-double-in-onondaga-county-and-triple-in-syracuse-elected-officials-push-vaccine>
- New York City public housing residents died from the coronavirus at a rate nearly twice their share of the city's population, according to new data released by public health officials, [the Post reports](#).
- Changes at the state and federal level, including increased financial aid and tax credits leading to lower monthly premium costs, have led to an increase in enrollment under New York's health insurance exchange, [State of Politics reports](#).
- The State Senate won't vote on the nomination of Adrienne Harris to be Financial Services Superintendent until January, but her nomination has provoked significant consternation among some Democrats in the chamber—including Deputy Majority Leader Michael Gianaris (D-Queens), who said he will vote against confirmation. Harris has held or still holds over a dozen past and present board positions at fintech firms or related companies -- many headquartered in New York. DFS is charged with regulating those same firms. <https://www.nysfocus.com/2021/09/14/adrienne-harris-fintech-hochul/>
- In 2014 New Yorkers voted for a new bipartisan commission to draw new congressional district lines not gerrymandered to favor a particular party. Democratic lawmakers in New York and Washington plan to cast them aside and use their supermajorities in Albany to draw new district boundaries for the next decade that might eliminate as many as five GOP-held seats. It could drive one of the most consequential shifts in power in the country this redistricting cycle. <https://www.nytimes.com/2021/09/14/nyregion/congress-redistricting-ny.html>

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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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