

Thursday, September 16, 2021
To: New York Community Banks

FROM ICBA

Treasury push on IRS reporting shows urgency of ICBA campaign

The Treasury Department and IRS continued pressing Congress to include an ICBA-opposed IRS reporting proposal in the pending budget package—demonstrating the continued need for community bankers to [enlist consumers in opposing the plan](#).

Consumer Resources: ICBA is 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, which would require banks to report customer account information to the IRS.

Call Alert: ICBA also is now encouraging community bankers to call their members of Congress using a new ICBA [call alert and customizable script](#) on the proposal, which ICBA polling found 67% of consumers oppose.

Latest: The Wall Street Journal and other outlets [reported](#) that the agencies on Wednesday urged the House Ways and Means Committee to advance the proposal, which the panel has not yet taken up during its ongoing consideration of budget-reconciliation measures.

Impact: While committee Chairman Richard Neal (D-Mass.) has hinted at questions over the proposal's impact on lower-income individuals, the Treasury and IRS letters illustrate that the plan can be added to the spending package at any time.

More: A [recent blog post](#) from ICBA President and CEO Rebeca Romero Rainey details ICBA's consumer-facing campaign, which has now generated more than 270,000 messages to Congress from roughly 90,000 consumers. **CUSTOM RESOURCES**

ICBA backs suspension of Fannie, Freddie changes

ICBA expressed support for the Federal Housing Finance Agency and Treasury Department's [suspension](#) of 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.

Release: In a [national news release](#), ICBA President and CEO Rebeca Romero Rainey said the restrictions have disproportionately hampered the ability of smaller community banks to serve low- and moderate-income and minority borrowers.

Background: ICBA has repeatedly urged the FHFA to reopen negotiations over the PSPAs and delay implementation of the restrictions.

FHFA proposes updates to GSE capital framework

The Federal Housing Finance Agency [requested comment](#) on a notice of proposed rulemaking that would amend Fannie Mae and Freddie Mac's Enterprise Regulatory Capital Framework.

Details: The proposed amendments would refine the prescribed leverage buffer amount and the capital treatment of credit risk transfers to encourage the distribution of credit risk from the enterprises to private investors.

Comments: The comment deadline is 60 days after its publication in the Federal Register. ICBA will submit comments.

Grassroots continues against reconciliation tax hikes

Legislative language released this week contains ICBA-opposed tax increases that community bankers can [speak out against](#).

Background: Budget-reconciliation [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.

IRS issues September Child Tax Credit payments

The [IRS said](#) 35 million families received roughly \$15 billion in the third batch of Advance Child Tax Credit payments.

Background: Eligible families receive up to \$300 per month for each child under age 6 and up to \$250 per month for each child age 6 to 17.

Sign-up: Families can still sign up for payments or defer payments after they have begun.

Resources: Additional information is available on ICBA's [frequently asked questions](#) on the CTC payments and via the [IRS website](#).

FDIC to launch Mission-Driven Bank Fund

The FDIC today is launching the Mission-Driven Bank Fund, a capital investment vehicle to channel investor funds to minority depository institutions and community development financial institutions.

Launch: At a teleconference launch scheduled for 9:30 a.m. (Eastern time) today, Sept. 16, the FDIC will announce the fund's founding investors and framework. The call can be accessed via 800-369-1733 and passcode 1144881.

FDIC invites feedback on strategic plan

The FDIC invited comments on its [draft strategic plan](#) for 2022-2026, which features the agency's mission, outlook, and major programs. Comments are due by Friday, Oct. 1.

Ida limits August industrial production gain

Industrial production increased 0.4% in August following a 0.8% gain in July, the Federal Reserve [reported](#). The Fed said shutdowns related to Hurricane Ida held down the gain by an estimated 0.3 percentage points.

FROM OTHER SOURCES

- This week, the U.S. death toll from Covid exceeded 663,000. That means the coronavirus has led to the deaths of roughly 1 in every 500 Americans, [per WaPo's Dan Keating and Akilah Johnson](#).
- A series of dueling reviews this week illustrated the fierce argument among scientists about whether COVID-19 vaccine boosters are needed, and if so, for whom, just a week out from plans to begin rolling out boosters on a wide scale, [The New York Times reports](#).
- The pace of new coronavirus infections in the U.S.: On average, about 150,000 Americans are contracting COVID-19 infections every day, down 8% over the past two weeks. Yet, deaths are still rising: The virus is now killing 1,888 Americans per day, up 33% jump over the past two weeks. Vaccinated people can get infected, but are still protected almost entirely from severe illness and death, indicating this summer's crush of hospitalizations, and the current rising death toll, were

preventable. https://www.axios.com/newsletters/axios-vitals-77466065-b4f0-43a2-a76d-b0064fcc001c.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top

- President Biden convened a meeting of top business leaders Wednesday to build support for a sweeping vaccine mandate that will affect most of America's workers. The message: Vaccines work, and the stalled uptake is holding back the economy. https://www.axios.com/biden-enlists-business-leaders-vaccine-mandates-01b153b5-8154-4242-bcc3-40809952ca98.html?mkt_tok=ODUwLVRBQS01MTEAAAF_jYvC_rUC3d27zYOq3F_hRWx6RtwEDC-dT20WuddY8sK-S15EuGdP9kuwjv5hkrIm5SN0eMB6hb9Lm-VmRTfQ9_1HLIBxbKQNdjWgedzAE0K
- The White House and key lawmakers want to allocate \$4.5 billion for smaller 7(a) loans that would be made by the Small Business Administration. The financial services industry says the government should collaborate with the private sector rather than compete with it. [Read story →](#)
- Treasury Secretary Yellen and Internal Revenue Service Commissioner Rettig pressed Congress to compel banks to report annual inflows and outflows from bank accounts with a minimum of \$600 or at least \$600 worth of transactions. The Biden administration wants to raise \$460 billion over a decade with its tax-compliance proposal, allowing the IRS to complete audits more effectively to help offset the costs of the Democrats' social and environmental policy proposals. [The Wall Street Journal](#)
- Acting Comptroller of the Currency Hsu said the OCC is working with other banking regulators on new climate risk management guidance for large banks. Hsu's comments are the most direct evidence that banking regulators are working on comprehensive guidance. [Reuters](#)
- The House Ways and Means Committee approved \$2.1 trillion in new taxes aimed at corporations and the wealthy, with no Republican votes in favor. The package will go to the House floor and then to the Senate, where it's likely to undergo further negotiating, leaves a number of issues open, including the \$10,000 cap on the federal deduction of state and local taxes (SALT). [Bloomberg](#)
- Federal Reserve Chairman Powell has picked up a handful of fresh endorsements from U.S. senators this week for another four-year term, but several key Democrats aren't yet sold. https://www.bloomberg.com/news/articles/2021-09-15/key-democrats-not-yet-sold-on-powell-despite-growing-support?sref=eCBZuTjk&mkt_tok=ODUwLVRBQS01MTEAAAF_jYvC_g3NOAO-SgHtcosE3mS7g4_XD4CWnDM9LWMMcVyR8nO6dyoXIAortDgIbM1zatPH3kAnQz9IdbzygCMaXUqCxxIg2jDbTJeinv0ucZ4G

FROM NEW YORK

- In New York state, 1 in 356 residents — 54,574 of 19.45 million New Yorkers — have died from Covid, according to the [CDC](#). New York state has the third-highest total number of deaths, behind California and Texas, while Florida is fourth. Only three states currently have a higher death rate than New York. Downstate New York has the highest death rate: 405 deaths per 100,000 residents. Upstate New York has a much lower rate: 185 per 100,000 residents. <https://www.newyorkupstate.com/coronavirus/2021/09/report-1-in-500-americans-has-now-died-of-covid-death-rate-higher-in-new-york.html>
- [Vaccination requirements are slowly stretching](#) beyond just employers in New York.

- Together, vaccines and masks offer the best chance of keeping people safe, especially children who, today, are at a much higher risk of COVID-19 infection, which is why parents should tell their kids to mask up even at private schools that don't require it, [The Buffalo News writes](#).
- Capital Region coronavirus cases and hospitalizations are [back to February levels](#).
- [There's mounting opposition](#) among lawmakers to Gov. Hochul's pick for the state's top financial regulator.
- New York City's public hospital system is on track to get a nearly \$1 billion shot in the arm from the federal government to cover its work during the COVID-19 pandemic, up from about \$260 million, after months of pressure, [the Daily News reports](#).
- Governor Hochul announced that employees and children in New York's state-regulated daycare centers will be required to immediately resume wearing masks as COVID-19 spread among children has been a cause for concern across the nation, [the Times Union reports](#).
- Emergency rent relief funding in New York will soon be available to higher income tenants as its rollout has hit its stride in recent weeks, with nearly \$400 million distributed so far, [Gannett Albany reports](#).
- In a win for more than one million New York City renters, a federal judge dismissed the final two of five landlord-brought lawsuits seeking to undo sweeping rent reforms passed by the state Legislature in 2019, [the Daily News reports](#).

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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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