

Thursday, September 2, 2021
To: New York Community Banks

FROM ICBA

ICBA testifies on need for simple PPP forgiveness

ICBA [told Congress](#) that the Paycheck Protection Program needs a simple, easy-to-use forgiveness process to ensure the program works as intended for small-business borrowers.

Hearing: Testifying before the [House Small Business Committee](#), ICBA Chairman Robert Fisher said community banks support a forgiveness process that is minimally burdensome for borrowers so they can focus on preserving their businesses.

Testimony: The president and CEO of Tioga State Bank in Spencer, N.Y., said that while ICBA appreciates the SBA's creation of its Direct Borrower Forgiveness Portal to streamline forgiveness for borrowers with smaller loans, the agency must respect lenders that choose not to use the portal.

Portal: Fisher noted that PPP lenders this week received an SBA email encouraging lenders to opt into the direct forgiveness portal to avoid audits. "We resent the coercive tone of this email," Fisher said.

Background: In a [national news release](#), ICBA noted that community banks:

- Accounted for nearly 60 percent of the PPP's total loan amount.
- Led the banking industry in lending to minority-, women-, and veteran-owned businesses.
- Served rural, suburban, and urban communities while saving jobs in critical sectors. [READ MORE](#)

CFPB issues 1071 proposed rule

The [Consumer Financial Protection Bureau](#) issued a proposed rule to implement Dodd-Frank Section 1071, which requires the bureau to implement data collection and reporting requirements for small-business lending.

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 that 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.

Outline: In fact, the CFPB last year issued a nonbinding [outline of proposals](#) for implementing the rulemaking that considered an exemption for community banks with \$200 million or less in assets or up to 100 loan originations.

Scope: Going beyond its statutory mandate, the bureau also proposed requiring several data points that were not called for by Congress, including loan pricing, guarantees, and other detailed attributes about small-business loan applicants.

More: In its release, ICBA said the requirements will harm small-business lending amid the ongoing COVID-19 pandemic, and it urged the bureau to reconsider the proposal's impact before proceeding with a final rule.

ICBA campaign against IRS monitoring striking a nerve

ICBA's consumer-facing campaign opposing a proposal to require the IRS to monitor bank account information has struck a nerve with community bank customers.

Consumer Alert: With consumers already sending thousands of messages to their members of Congress via ICBA's [Consumer Alert webpage](#), ICBA urges more community banks to join the campaign.

Outreach Vital: ICBA is encouraging community bankers to direct their customers to the site to demonstrate that public opposition is widespread, bipartisan, and 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 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](#).

Treasury announces new child tax credit tool

The [Treasury Department](#) said it is partnering with Code for America to create a mobile-friendly and bilingual tool for taxpayers to sign up for Advance Child Tax Credit payments.

Tool: GetCTC.org is part of a broader effort to help more Americans who do not regularly file taxes claim the CTC.

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.

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

FHFA announces affordable housing plans

The [Federal Housing Finance Agency](#) instructed Fannie Mae and Freddie Mac to boost the affordable housing supply by:

- Increasing their Low-Income Housing Tax Credit investments to \$850 million each.
- Expanding opportunities for local families to access affordable homeownership and rental housing.

The FHFA also:

Extended the period during which owner occupants, public entities, and nonprofits will have exclusive ability to buy Fannie Mae and Freddie Mac real estate owned properties from 20 to 30 days.

- Said it will begin to study the interaction between exclusionary zoning and the entities.

CDFI Fund: \$5B in New Markets Tax Credits

Treasury's Community Development Financial Institutions Fund [announced](#) \$5 billion in New Markets Tax Credits to spur investment in low-income communities. The credits were awarded to 100 community development entities selected from a pool of 208 applicants.

Private sector adds 374K jobs

Employment: The private sector added 374,000 jobs in August, including 86,000 among small businesses, according to [ADP](#).

Manufacturing: The Institute for Supply Management's manufacturing [index](#) increased 0.4 percentage point to 59.9 percent in August, its 15th consecutive month of growth.

Construction Spending: The Commerce Department [said](#) construction spending increased 0.3 percent in July, with private construction gaining 0.3 percent and public construction improving 0.7 percent.

FROM OTHER SOURCES

- As the Delta variant drove cases and hospitalizations up to levels not seen since January, consumer sentiment fell sharply in August, as hopes of nearing an end to the pandemic were dashed. *Morning Consult's* [September U.S. Economic Outlook report](#) takes a look at how lagging consumer confidence and the Delta variant are expected to derail the anticipated economic recovery this fall. It examines the impact of the Delta variant on consumer confidence and spending, the trajectory of the jobs recovery and the state of Americans' personal savings and finances. [Get the report](#) to better understand how the resurgent pandemic is affecting economic recovery.
- COVID infections continue to climb all across the U.S., with few new solutions on the horizon, Axios' Sam Baker [writes](#). About 160,000 Americans now test positive for COVID-19 each day — a 14% increase, nationwide, over the past two weeks. While a small handful of hotspots have begun to improve, cases are still rising in 44 states.
- COVID hospitalizations are beginning to tick down, largely due to improvements in the South, [Bloomberg reports](#). But five Southern states — Alabama, Georgia, Texas, Florida and Arkansas — are still using over 90% of ICU beds, [per CNN](#). In Kentucky, the National Guard has been [deployed](#) to help overburdened hospitals. [Share this map](#).
- New Israeli vaccine research strengthens the Biden administration's case for recommending COVID boosters for most Americans beginning Sept. 20, Axios' Caitlin Owens [reports](#). It's increasingly likely that later this fall, being "fully vaccinated" will mean getting a third shot if you had Pfizer or Moderna. Research about J&J is ongoing.
- The Biden administration has [unveiled](#) plans to recommend boosters beginning Sept. 20 for most adults, pending regulatory approval. The new research suggests benefits can kick in quickly. Epidemiologists fear the summer surge won't be the last, and we'll continue to face the virus through the fall and winter. The [preprint study](#) found that adults who received a third Pfizer shot saw their risk of infection drop by 11-fold, and their risk of severe disease drop by more than 10-fold. [Share this story](#).
- The Food and Drug Administration has scheduled a key meeting on coronavirus boosters with its outside advisers for Sept. 17 - just a few days before the Biden administration's planned starting date for an extra-shot campaign. https://www.washingtonpost.com/health/2021/09/01/booster-shots-fda/?mkt_tok=ODUwLVRBQS01MTEAAAF_RXZf1-ahWnGs3yTyblilGvUVdijHw_iU6kTLaf4_gQcrdmPUJOgiKRudcdCsVPKhHE3rbPhwPCUSRJjEOOgFGTNwA_poHLASvkPbztuhdc7L
- Yet another coronavirus variant, "mu," is catching the World Health Organization's eye, this one with a potential for evading vaccine protection, [the Daily News reports](#).
- The CFPB proposed a rule to require lenders to gather and report more data about small business loans, including demographic data and reasons why a lender might have denied a prospective borrower. The agency said the rule comes after the COVID-19 pandemic showed how some small business borrowers struggled to attain credit through programs such as the Paycheck Protection Program via certain lenders, and how policymakers don't have enough data to ascertain whether the process is fair. [CNBC](#)

- The CFPB backtracked on a suggestion it made during the Trump administration that it would exempt a significant chunk of community banks from small-business loan reporting requirements, sparking concern among industry representatives that the rule will be too broad. The agency released a long-awaited proposal Wednesday mandated by Congress that would force banks and other lenders to collect and send data meant to identify discrimination and barriers to credit in small-business lending. https://www.americanbanker.com/news/scope-of-cfpb-small-business-loan-data-requirements-worries-banks?mkt_tok=ODUwLVRBQS01MTEAAAF_RWnffpZuFU11-6Cgy8muScRvvaVbWiSs6Bsk3vMOaz-3Ex8ERbYH_D-hJy5vlgkjXRv0r0BfDf_ALEE2cSnNeA_Zvi3f59ZpI7FK1_-J76Bx
- New applications for unemployment benefits are likely to hold near pandemic lows, showing the labor market is progressing despite uncertainty caused by the Delta variant of Covid-19. Economists surveyed by The Wall Street Journal estimate that initial jobless claims, a proxy for layoffs, declined by 8,000 to a seasonally adjusted 345,000 in the week ended Aug. 28. https://www.wsj.com/articles/weekly-jobless-claims-09-02-2021-11630527461?mkt_tok=ODUwLVRBQS01MTEAAAF_RWnff1rGAZe2AEIE2Yd16wTKh9u9f79hYFRmmo_-I3Ti07bDqHOopFarKpY5gd4IHE88-XgMqVzgOYnKKolEiDShuHwer0mAHqx0dMd10ZHQ
- The head of the IRS believes more rigorous disclosures from the nation's banks could help fix a yawning tax gap and recoup billions in owed revenues. IRS Commissioner Rettig told Sen. Warren (D-MA) that relying on banks to report basic information about their customers' deposits and withdrawals could put a big dent in annual tax evasion. https://www.cnbc.com/2021/09/02/irs-chief-tells-elizabeth-warren-bank-data-can-help-fight-tax-evasion.html?mkt_tok=ODUwLVRBQS01MTEAAAF_RWnffqiDXVuLi7kmR1EGzoeYXr8cycHFcaM3Fp10Sm7kr8rhXYg9N194rx5HcgDSbO81hwTbF7ALdFkb4tPfm0gaW9G4IHE68-GUCtQWluSo
- Mortgage applications decreased last week in step with a drop in refinancing as mortgage rates remained unchanged. The Mortgage Bankers Association said its seasonally adjusted market composite index tracking mortgage applications fell 2.4% from a week earlier, reflecting a 3.8% decline in applications to refinance existing loans in the week ending Aug. 27. https://www.reuters.com/business/us-mortgage-applications-decline-with-drop-refinancing-mba-2021-09-01/?mkt_tok=ODUwLVRBQS01MTEAAAF_RWnffmZgOV6vFvLTvGJnGawfF92xR2PnUoL0uB6bZd9umvBJIvshkN3MnO7yIi6S2E1hlIfB949kUuFJBAe4rz9wjE7MEL7Iqvn-krQCEmb

FROM NEW YORK

- The NYS Legislature passed legislation to extend the state's eviction moratorium until January 15, intended to give officials more time to distribute rental assistance funds after the Supreme Court struck down federal protections last month. New York is now one of only six states and Washington D.C. to have an eviction moratorium still in place. https://www.wsj.com/articles/new-york-poised-to-join-ranks-of-states-extending-eviction-moratorium-11630524695?mkt_tok=ODUwLVRBQS01MTEAAAF_RWnffh-dcqiDLnWRxDjUccDkVkTfbUD5JsxNzh5QougQ12_CH45X8CQwGPvXhXt7w51Jr7tnsC0eWtQudTc4wBpM76CFWhLb5JAT7xgZO3I
- The legislation extending New York's eviction moratorium also promised tens of millions in additional dollars to landlords, [the Times Union reports](#). It also includes language that suspends the state's Open Meetings Law – a move that did not win over many transparency advocates, [Politico New York reports](#).
- Small landlords in New York are facing struggles: Unpaid tax bills, rent that has been owed for months and now yet another extension of New York's moratorium on evictions. [Read more](#).
- She's been governor just over a week, but we have nothing but positive early reviews for Hochul, including yesterday's decision to name the extremely talented Kathryn Garcia to be director of state operations, [the Daily News writes](#).

- Hochul and the state Legislature demonstrated Wednesday an ability to be nimble, to work together and to address pressing concerns quickly – and now they have to do it again to require vaccines in schools, [Newsday writes](#).
- If anyone needed proof that New York’s governor is new in more than just name and gender, they got it as Hochul laid out some of her differences with Cuomo, then called a special session of the Legislature to implement them [The Buffalo News writes](#).
- Kathryn Garcia, the former sanitation commissioner in New York City and the runner-up in the Democratic mayoral primary this June, is joining Gov. Kathy Hochul's new administration as Director of State Operations, a key management job in the governor's office with a broad portfolio, overseeing everything from disaster and storm response to the day-to-day management of the state. Hochul also announced Neysa Alsina will become a special adviser on pandemic relief as the delta variant of COVID-19 has led to a rise in COVID cases. [Read more](#).
- [COVID concerns are lingering](#) for schools across New York as students and teachers return to the classroom.
- With calls for having a remote learning option for kids returning to New York City public schools on Sept. 13 going unheard during a City Council hearing yesterday, here are the key points education and health officials made for [their plan to proceed with mostly in-person instruction](#).
- [Mayor Bill de Blasio is directing](#) all 80,000 city office workers to resume their pre-pandemic schedules and return full-time to their offices beginning September 13, according to an email to agency officials.
- Analysis: A new governor's busy first week. In the last week, Gov. Kathy Hochul has had three basic tasks: Introduce herself to the millions of New York voters who don't know a thing about her, make appointments to her embryonic administration and respond to the inherited, multi-directional crisis that is the ongoing pandemic. [Read More](#)
- Former NYS Assembly Member Tremaine Wright and marijuana advocate Christopher Alexander – Gov. Kathy Hochul’s picks to lead the state’s recreational marijuana program – [were both confirmed by the state Senate](#). The Marijuana Regulation and Taxation Act (MRTA), which passed earlier this year, created a comprehensive regulatory structure to oversee adult-use marijuana within New York state. [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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