

Monday, September 20, 2021
To: New York Community Banks

Good morning,

I hope everyone enjoyed a safe and healthy weekend. I wanted to share a few items of interest up top.

- **I'm pleased to share with you Acting Comptroller Hsu's recent speech** to the Exchequer Club in Washington, D.C. It provided an overview of his priorities to reduce inequality, adapt to digitization, act on climate change, guard against complacency, and to safeguard trust in the banking system. He called for cooperation among federal and state banking regulators as an element of some of his priorities. **You will find the speech attached, and this link to the news release:** [OCC News Release 2021-97](#)
- I also want to share information about a special discount available for the **Barret Leadership Academy: Strategic Planning and Talent Development program via Zoom this Wednesday, September 22** from 11:00 AM - 4:00 PM EDT (1 hour lunch break). The usual registration fee is \$295, but through IBANYS' relationship with Barret is available at \$95. This program is designed to provide bank executives, department heads, and people responsible for leadership development, tangible takeaways as they build talent recruitment, development, and management strategies. **Topics include:**
 - The Connection Between Strategy & Talent Development
 - Creating a Talent Inventory
 - Using Scorecards
 - Do I Have the Right Mix of Talent

To register: <https://barretbanking.org/landings/strategic-planning-talent-development-with-mike-synk/>

- EMPIRE STATE DEVELOPMENT has partnered with IBANYS to announce the COVID -19 Small Business Recovery Grant Program. Please distribute the information (Link below) to your small business clients so they can take advantage of the \$800MM in grants from NYS. www.nysmallbusinessrecovery.com

FROM ICBA

Crapo speaks out against IRS reporting plan

A key Republican senator joined ICBA and other business groups in reiterating opposition to proposed IRS reporting requirements.

Op-ed: Senate Finance Committee Ranking Member Mike Crapo (R-Idaho) wrote in an [American Banker op-ed](#) that the plan raises privacy, due process, and security concerns—citing ICBA polling that found two-third of voters oppose the measure.

Joint Letter: Meanwhile, groups such as the National Federation of Independent Business and International Franchise Association joined ICBA in opposing the plan in a [joint letter](#) to congressional leaders—part of ICBA's ongoing campaign against the proposal.

ICBA Campaign: ICBA is calling on community bankers to use its customizable [email text and social media content](#) to urge consumers to [contact Congress in opposition](#) to the plan, which policymakers are working to include in budget-reconciliation legislation.

Call Alert: ICBA also is encouraging community bankers to call their members of Congress using a new ICBA [call alert and customizable script](#) on the proposal.

More: A [recent blog post](#) from Romero Rainey details ICBA's consumer-facing campaign against the proposal, which could be added to the spending package at any time.

CUSTOM RESOURCES

ICBA urges Congress to oppose SBA 7(a) changes

ICBA [told Congress](#) it strongly opposes legislative proposals that would authorize the SBA to provide direct loans through its 7(a) program.

Background: The \$3.5 trillion budget-reconciliation package would provide \$4.5 billion to the SBA to make direct 7(a) loans of \$150,000 or less.

Letter: In a letter to the House and Senate small business committees, ICBA said:

- The SBA has a poor track record of direct lending, which is costly for taxpayers.
- Experimenting with direct SBA lending would damage the 7(a) loan program.
- Concerns about recent declines in 7(a) lending are misplaced due to the influence of the Paycheck Protection Program.
- Community banks account for 66% of 7(a) loans and led the way in PPP lending

More: ICBA also pushed back against the direct-lending proposal in a [national news release](#) and in [American Banker](#), noting it would undermine the program's private-sector experts.

Banker grassroots focus on reconciliation tax hikes

While urging consumers to speak out against the IRS reporting proposal, community banks can also continue [speaking out against](#) proposed ICBA-opposed tax increases.

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.

OCC issues proposal on rescinding CRA rule

The OCC formally [published](#) its proposal to rescind its June 2020 Community Reinvestment Act rule and replace it with interagency rules adopted in 1995.

Previous: The OCC [in July](#) said it would rescind the CRA rule and work with other agencies on a joint rulemaking, which the FDIC and Federal Reserve Board affirmed in a separate [statement](#).

More: The OCC is also considering maintaining guidance on qualifying CRA activities for the period between the rescission of the rule and issuance of interagency rules, which is expected next year.

ICBA Position: ICBA [expressed support](#) for the OCC announcement after previously [supporting](#) the agency's May announcement that it would reconsider the rule.

CFPB: Renters at risk as relief programs end

The Consumer Financial Protection Bureau released a [report](#) warning that millions of renters may suffer as federal and state COVID-19 relief programs end. The report found that renters' economic conditions were significantly more responsive than homeowners' to relief measures, such as stimulus payments and expanded unemployment benefits

FROM OTHER SOURCES

- The Biden administration will lift restrictions on fully vaccinated international travelers in November. European officials had expressed frustrations at the administration's refusal to lift the

EU travel ban, which has been in place since March 2020.

<https://www.nytimes.com/2021/09/20/us/politics/us-travel-ban.html?referringSource=articleShare>

- Many vaccinated Americans are worried about their level of protection as the pandemic rages. An FDA advisory committee on Friday recommended boosters for adults who originally received the Pfizer vaccine and are 65 and older, at high risk of severe COVID, or work in high-risk occupations. It did so after first rejecting the administration's proposal of offering boosters to most adults. The FDA will now decide whether to follow the committee's recommendations, which it usually does. A CDC advisory committee may soon offer more clarity about who qualifies. [Go deeper.](#)
- Dr. Fauci defended the [Food and Drug Administration panel's decision](#) to reject offering a third booster shot of the [Pfizer-BioNTech](#) Covid-19 vaccine to the general U.S. population, and said he would support a third dose if future data shows it's effective. He added as the FDA continues to gather new information on boosters, convincing unvaccinated Americans to get vaccinated remains the priority. <https://www.cnbc.com/2021/09/19/fauci-defends-fda-panel-decision-to-reject-third-doses-for-all-americans.html>
- Days after an FDA advisory panel approved booster shots for a limited population of those who had received the Pfizer-BioNTech vaccine, Dr. Fauci said data about booster shots for those who had received the Moderna or Johnson & Johnson coronavirus vaccines could be a few weeks away from being reviewed by the FDA.
- The White House will host its global COVID-19 summit [Wednesday](#). A [key CDC advisory committee](#) will also begin a two-day meeting that day where they will discuss the proposed Pfizer booster. https://www.axios.com/newsletters/axios-vitals-679362cb-4694-4e7c-9cc2-099c94f230b7.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Pfizer and BioNTech's coronavirus vaccine is safe and effective in children ages 5 to 11, albeit at a lower dose than adults receive, the companies said in a press release this morning announcing results from a pediatric trial. The companies said they "expect to include the data in a near-term submission" to the FDA for emergency authorization. https://www.axios.com/newsletters/axios-vitals-679362cb-4694-4e7c-9cc2-099c94f230b7.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Federal employees can be fired for refusing to be vaccinated against the coronavirus, but as their disciplinary cases wind through the system, they will report to work alongside vaccinated colleagues, according to Biden administration guidance issued this week. https://www.washingtonpost.com/politics/federal-government-mandate-vaccine/2021/09/17/88a0a4a2-17d5-11ec-9589-31ac3173c2e5_story.html?mkt_tok=ODUwLVRBQS01MTEAAAF_ojS_INtL4JTAgkQTVLfQR30np6yckkNwCab3enM8TQmxuL2hKTna-aBZCnSxquEqnOv9BqELVhunzxJAE6Ltvq73vgNT3WcgTyMvDHIa4nJx
- The last time Americans were this turned off by the U.S. housing market, borrowing costs were over five times the current rate. The share of people who think now is a good time to buy a home fell in September to 29%, extending the plunge from March when the proportion was more than twice as high, data from the University of Michigan consumer sentiment survey showed Friday. https://www.bloomberg.com/news/articles/2021-09-17/americans-haven-t-been-this-down-on-housing-market-since-1982?mkt_tok=ODUwLVRBQS01MTEAAAF_ohsF8GhZKmRwnt7qG3oE6asC9ZkREdCsUkN_YIomToFn3ZIaJaVthbRGUv3pWbkJOV6eVxzd_620FLKn3300p-adbq1TO7LVVoQ_I71WcVn2Q
- House Financial Services Chair Waters wants President Biden to keep the current regulator of mortgage giants Fannie Mae and Freddie Mac, Acting FHFA Director Sandra Thompson -- creating a potential clash with the White House as it considers naming a replacement. Thompson took the role in June after Biden fired a Trump appointee. <https://www.politico.com/news/2021/09/17/maxine-waters-biden-housing-regulator->

[512469?mkt_tok=ODUwLVRBQS01MTEAAAF_ohsF8NBF4Nh2NncaCQIWpw39NuNc56Lwtas6QGQHBKV_hWJ0RAQP1IM1Fy21WZCkT9KUqemaY1KaGYsYPZNdrpnYBQAb1PJKI-ycrtSy-fef](https://www.bloomberg.com/news/articles/2021-09-17/salt-break-would-erase-most-of-house-s-tax-hikes-for-top-1?mkt_tok=ODUwLVRBQS01MTEAAAF_ohsF8NBF4Nh2NncaCQIWpw39NuNc56Lwtas6QGQHBKV_hWJ0RAQP1IM1Fy21WZCkT9KUqemaY1KaGYsYPZNdrpnYBQAb1PJKI-ycrtSy-fef)

- High-earning taxpayers would face much smaller tax hikes - or even cuts - if Democrats decide to restore the federal deduction for state and local taxes (SALT) in legislation moving through the House. If the SALT deduction were fully reinstated, the top 1% of taxpayers - those earning at least \$401,601 - would face a tax increase less than half as large as that if the current cap on the write-off were retained, according to data from the right-leaning Tax Foundation.
https://www.bloomberg.com/news/articles/2021-09-17/salt-break-would-erase-most-of-house-s-tax-hikes-for-top-1?mkt_tok=ODUwLVRBQS01MTEAAAF_ohsF8PV5egGnOYt_ap2yHGNfvOeBqasDAX-fnTQZIWt7M576E4_keiSiYI6eCc51EpfbzJ0pXdfmueNvNIVsw7k17wjBkyHaGWLmlhfGMpYC

FROM NEW YORK

- Governor Hochul updated New Yorkers on the state's progress combating COVID-19 yesterday. Test Results Reported – 207,697 (Percent Positive – 2.54%; 7-Day Average Percent Positive – 2.99%. Patient Hospitalization – 2,295 (-87); Patients Newly Admitted – 285; Patients in ICU – 545 (-12); Patients in ICU with Intubation – 320 (+8); Percent of all New Yorkers with at least one vaccine dose (CDC) – 69.9%; Percent of all New Yorkers with completed vaccine series (CDC) – 62.4%. <https://www.governor.ny.gov/news/governor-hochul-updates-new-yorkers-states-progress-combating-covid-19-25>
- More than 80 percent of New York City adults [have now received](#) at least one vaccine dose.
- After [tens of thousands of kids](#) were sent home to isolate due to COVID-19 exposure in the first days of in-person schooling, more districts are starting to pivot toward a "test-to-stay" strategy, the [New York Times reports](#). But a new study from [The Lancet](#) found about 2% of school-based close contacts ultimately tested positive for the virus, meaning schools were keeping 49 uninfected students out of class every time one student tested positive
- New York City's first full week of school is in the books, but in a year like this, those [first-day jitters could persist](#) well into the fall. [Hundreds of classrooms](#) and at least [one entire school](#) have already been shuttered due to Covid-19 cases. The city's vaccine mandate for teachers and school staff, scheduled to take effect Sept. 27, is now [mired in a legal battle](#).
- [UFT President Michael Mulgrew](#) is urging the city to increase COVID testing in New York City schools after positive cases forced a school to close.
- [Schumer embraces progressive policies, ahead of 2022 re-election](#). The Senate Majority Leader has embraced an agenda of progressive policies — which has received praise from some on the left — as he faces a potential primary challenger from the left in his reelection race next year.
- Rep. Lee Zeldin (R-L.I.), the leading Republican candidate in next year's race for governor in New York, revealed that he was diagnosed with leukemia last year and has been receiving treatment. He added he is in remission, and that the diagnosis would not affect his campaign for governor. [Read More: The New York Times reports](#).
- [Dutchess County Executive Marc Molinaro files to run for Congress](#) against Rep. Antonio Delgado (D-Hudson Valley).

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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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