

Friday, October 15, 2021
To: New York Community Banks

FROM ICBA

ICBA, groups push back on IRS reporting false claims

With Congress working to modify its IRS reporting proposal in response to widespread opposition, ICBA and 100 other organizations pushed back against false claims from supporters of the policy.

Letter: In a [joint letter to Congress](#), ICBA and groups such as the National Association of Realtors and International Franchise Association said the proposal would affect virtually every American with a bank account despite proposals to increase the account flow threshold.

Charge and Response: The groups also delivered a [document](#) responding to supporters' claims that the measure is targeted and easy to implement, noting it would broadly affect taxpayers and include millions of accounts not currently subject to reporting.

Call Alert: ICBA is urging community bankers to speak out against the proposal by calling their lawmakers using an ICBA [call alert and customizable script](#).

ICBA Campaign: Community bankers can also continue using customizable [email and social media content](#) to urge consumers to [contact Congress in opposition](#).

Congress: The congressional debate continued with Senate Finance Committee Ranking Member Mike Crapo (R) convening a [roundtable discussion](#) in Idaho to express concerns with the IRS plan, which House Speaker Nancy Pelosi (D-Calif.) this week said Congress continues working to advance.

[CALL CONGRESS NOW](#)

ARRC urges immediate LIBOR transition

The Alternative Reference Rates Committee [encouraged](#) all market participants to immediately slow their use of U.S. dollar LIBOR.

ARRC: The ARRC said the next six weeks is a key window for participants to smoothly end new LIBOR contracts by the end of the year, as advised by federal regulators. It continued to recommend its preferred LIBOR alternative, the Secured Overnight Financing Rate.

Deadline: Federal Reserve Governor Randal Quarles last week [said](#) the Dec. 31 end of LIBOR is “definitive and immovable” and will not be extended.

More: An [ICBA blog post](#) details the end of LIBOR and the impact of the pending transition on community banks.

ICBA backs hybrid exam model

ICBA encouraged the FDIC to adopt a hybrid examination model that uses on-site and off-site exam activity as it explores the future of post-pandemic oversight. **Comment Letter:** ICBA said the FDIC should perform certain exam activities off-site to promote efficiencies, but some on-site activities should resume because of the importance of face-to-face interaction with examiners, particularly for rural community bankers.

Fed updates coin order caps

The Federal Reserve [updated its coin order caps](#) for orders placed today, Oct. 15, for pick-up Monday, Oct. 18.

Updates: The Fed lowered order limits for nickels while raising limits for pennies, while limits for dimes and quarters will remain at levels established in July.

Contact: Questions can be directed to local FedCash Services customer support representatives or Federal Reserve account executives, with more information on the [Fed's Contact page](#).

Task Force: The [U.S. Coin Task Force](#), on which ICBA serves, continues working to identify solutions to coin circulation supply chain challenges brought on by the pandemic.

Treasury previews stablecoin report

Financial regulators are focusing on stablecoins because they're playing an increasingly central role in digital assets and the future of cryptocurrencies, Treasury's Nellie Liang said.

Report: As reported by [Bloomberg](#), Liang said the President's Working Group stablecoin study expected this month will focus on consumer and investor protection, preventing financial crimes, systemic integrity, and financial stability.

Industry Proposals: Separately, crypto firms proposed regulatory frameworks. [Coinbase](#) proposed a new U.S. regulator focused on digital assets, while [FTX Research](#) laid out policy goals.

CBDC: Meanwhile, the G7 group of advanced nations laid out [principles](#) for central bank digital currencies, saying they should not harm the ability of banks to preserve monetary and financial stability.

More: Recent ICBA blog posts detail [growing stablecoin risks](#) to consumers and the financial system, [how policymakers are responding](#), what decentralized finance [means for community banks](#), and where nations stack up in [developing CBDCs](#).

Producer prices set another 12-month record

The Producer Price Index increased a seasonally adjusted 0.5% in September following gains of 0.7% in August and 1.0% in July, the Labor Department [reported](#). The index is up 8.6% over the past year, the largest advance since 12-month data were first calculated in November 2010.

FROM OTHER SOURCES

- An independent FDA advisory panel unanimously recommended a booster dose of the Moderna coronavirus vaccine for people 65 and older and adults who are at high risk of severe illness or are exposed at work. It would be half the dose initially given. FDA officials will consider the recommendation and a decision likely within days. A CDC advisory committee will meet next Wednesday. Nearly 70 million Americans have been fully vaccinated with the Moderna vaccine and millions would be eligible for a follow-up dose six months after vaccination. https://www.washingtonpost.com/health/2021/10/14/moderna-booster-shot-fda/?mkt_tok=ODUwLVRBQs01MTEAAAGAlujfRxQ-Rqv17ym-ksp4PFEB7UfOiY9gALRNHHvnrSMhRlubiYXcapZyy4Q_a45Z0QMsGekh7YzOvQJ-RYF5nxNjvZepQEhVKZICNLPjsS3b
- The White House reportedly will announce today plans to lift travel restrictions for fully vaccinated international travelers beginning Nov. 8. The move will allow vaccinated travelers from most countries to visit the U.S. for the first time in more than 18 months. [Biden lifting land border travel restrictions](#). The announcement applies to international air travel and travel across U.S. land borders. https://www.axios.com/us-restrictions-fully-vaccinated-foreign-travelers-bb49a3e8-7fcb-41a4-8c08-fe26e4a0e2b9.html?stream=top&utm_source=alert&utm_medium=email&utm_campaign=alerts

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- Foreign nationals traveling to the U.S. via its land borders for non-essential reasons must be fully vaccinated and able to provide proof of vaccination to border officials upon request.
https://www.axios.com/us-restrictions-fully-vaccinated-foreign-travelers-bb49a3e8-7fcb-41a4-8c08-fe26e4a0e2b9.html?stream=top&utm_source=alert&utm_medium=email&utm_campaign=alerts_all
- The White House is reportedly closing in on former FDA Commissioner Robert M. Califf, a professor of cardiology at Duke University School of Medicine, to again serve as agency chief. The White House said no final decision has been made and President Biden did not comment during remarks on the administration's [coronavirus](#) response. The FDA faces a number of major decisions, including whether to authorize coronavirus vaccines for young children, more booster shots for adults and additional treatments to fight the pandemic. [https://www.washingtonpost.com/health/2021/10/14/fda-commissioner-califf/?mkt_tok=ODUwLVRBQS01MTEAAAGAIujfRwYgJI2mHY5MKsEedtDxeASzttYNC-1IGdF4R-oFt8PwQMNz6PbseK4Js3TclGBM8WFp5sKKxFtcJUET4ODJhB7Vwtevu9kXHmibc -Y](https://www.washingtonpost.com/health/2021/10/14/fda-commissioner-califf/?mkt_tok=ODUwLVRBQS01MTEAAAGAIujfRwYgJI2mHY5MKsEedtDxeASzttYNC-1IGdF4R-oFt8PwQMNz6PbseK4Js3TclGBM8WFp5sKKxFtcJUET4ODJhB7Vwtevu9kXHmibc-Y)
- The Biden administration has released a report detailing a roadmap of the government's plans to address climate risk in the financial system, including in mortgages, stock market disclosures and retirement plans. The report recommends the Financial Stability Oversight Council create tools to target climate-related risks, that Treasury look at the insurance sector and that the SEC consider mandatory disclosure rules related to climate change. [Associated Press](#)
- The Treasury Department accused opponents of a key part of President Biden's tax plan of spreading "misinformation" about the proposal to require financial institutions to report information about some bank accounts to the Internal Revenue Service in an effort to determine if Americans are underreporting their income on their tax forms. https://www.bloomberg.com/news/articles/2021-10-14/treasury-blasts-misinformation-on-tax-plan-that-faces-hurdles?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLxv1WqfLNcUnsAH29UTTRhjHH4pdd2-jn20Ok8BsuKDjN95KJIt5yo76MurbZNVQ6PqSDtRVz71vu70ef8-ITKOsbuYQsonr9pc-X6Ua
- Fed Chairman Powell's chances for a second term have been "dented but not derailed" by a reputational crisis over stock-trading disclosures by senior officials. Powell has been the front-runner to keep the job when his term expires early next year, but questionable trading activities by two Fed bank presidents cast a cloud over his prospects, giving a vocal minority of Democrats opposed to his re-nomination new grounds to call for his replacement.
https://www.wsj.com/articles/trading-furor-complicates-white-house-decisions-on-fed-leadership-11634290201?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLxiWLWjQ_vEL9jttKUYNnqhXTIzvEHIncfqHiaJiLi6w_brN8eu61ooP7D33OrymsM7ntVYjLlV96LO4z12t8l_VhDAHdYZ6FL1DPo1YW
- Federal Reserve Governor Randal Quarles is no longer vice chair for supervision, and the Fed Board will make bank regulatory policy only when multiple members reach consensus. Observers expect inaction until the Biden administration fills key leadership posts.
https://www.americanbanker.com/news/sidelining-of-quarles-complicates-feds-policymaking?position=editorial_1&campaignname=V2_AB_Daily_2021-10152021&utm_source=newsletter&utm_medium=email&utm_campaign=V2_AB_Daily_2021%2B%27-%27%2B10152021&bt_ee=bDSNcIP7NQCFYzbfliqgrJ03B8JWEAU8GzKb0IKHmMwU%2Foxjed9NDuCSItOSCg&bt_ts=1634303038442

- The number of Americans filing initial unemployment claims fell below 300,000 for the first time since the pandemic began, the U.S. Labor Department reported Thursday. The 36,000 drop brought the weekly count to 293,000, strikingly close to the pre-pandemic mark of 256,000. https://www.washingtonpost.com/business/2021/10/14/jobless-claims-pandemic/?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLx_wNsNcoYCS2Nij199I_oWSRdw19pVLrgOvt5BKxHrQVhhPvaNs_vQ6yeCGgXWnZJakZkkcVxNPpm6jAzst6ift2bvuaAoRC6GyI9Ksh9
- Scarce labor "is becoming a fixture" of the U.S. economy, reshaping the workforce and prodding firms to adapt by raising wages, reinventing services and investing in automation. More than a year and a half into the pandemic, the U.S. is still missing around 4.3 million workers. https://www.wsj.com/articles/labor-shortage-missing-workers-jobs-pay-raises-economy-11634224519?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLxnoz_LjWLG0NNy2zV92qV5WA_YhGzNwd72M-RxO_AAUCjHQnD-IwAdsMmN10ygCripgTCvah3IEPP_U5VV5eVx7o_7YWCd4-vh58Y-nZ
- U.S. consumers continue to spend, despite supply constraints causing a shortage of vehicles and other goods. Economists surveyed by The Wall Street Journal estimate that September retail sales fell a seasonally adjusted 0.2% in September from the previous month, with car purchases declining as few vehicles were on dealer lots. https://www.wsj.com/articles/us-economy-september-2021-retail-sales-11634246791?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLxthVTWkb2MA2gni5xmqADTnjb_i5jn_xSaU3JylMkqBZ8dXSN7YyW34Ej5vdXgGq_fcgONw3jfbLfTIpnZjQpHLnpljfygE6oULhg_vdJoT
- Economic policymakers have said inflation will prove temporary, but rising rents may challenge that view and pressure Washington to react. An economist said rents could heat up as big cities including New York rebound from the pandemic. Smaller cities' rental markets have been hot for months, but the median rent in Manhattan climbed for the first time since the start of the pandemic in September, [data from](https://www.nytimes.com/2021/10/15/business/economy/rent-inflation.html?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLxt9ER-EhsIgNptv_1a18xFS-B0sIUQdsTBmZrhIzELix4tf5ls1yKhrkqv6dRv2bXi-SNJ991-sdomzRC0KrDckKbBPAwuDL8dZSvf) Miller Samuel and [Douglas Elliman](https://www.nytimes.com/2021/10/15/business/economy/rent-inflation.html?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLxt9ER-EhsIgNptv_1a18xFS-B0sIUQdsTBmZrhIzELix4tf5ls1yKhrkqv6dRv2bXi-SNJ991-sdomzRC0KrDckKbBPAwuDL8dZSvf) showed. https://www.nytimes.com/2021/10/15/business/economy/rent-inflation.html?mkt_tok=ODUwLVRBQS01MTEAAAGAItdLxt9ER-EhsIgNptv_1a18xFS-B0sIUQdsTBmZrhIzELix4tf5ls1yKhrkqv6dRv2bXi-SNJ991-sdomzRC0KrDckKbBPAwuDL8dZSvf
- Coinbase Global Inc., the largest U.S. cryptocurrency exchange, argued that Congress should create a special regulator for all digital assets instead of allowing the SEC primary regulatory control. [The Wall Street Journal](https://www.wsj.com/articles/coinbase-argues-for-special-digital-asset-regulator-11634224519)

FROM NEW YORK

- With a pandemic still raging, insurance companies have ended the blanket coverage they'd been providing for COVID-19 tests, and it leaves untold numbers of New Yorkers facing out-of-pocket costs, [the Times Union writes](https://www.nytimes.com/2021/10/14/nyregion/insurance-covid-19-tests.html).
- According to a new online tracker released by the state comptroller's office, the state has received \$21 billion in federal pandemic relief money and has spent \$6.1 billion since the end of September [the Times Union reports](https://www.nytimes.com/2021/10/14/nyregion/state-relief-money.html).
- New York state's COVID-19 vaccine mandate led to about 34,000 health workers losing jobs or being placed on leave, reflecting a reduction of 3.5% of the workforce, new state data show. The home health sector had the biggest impact as about 20,500 workers, or 8% of the industry's workforce, was effectively cut due to the mandate, according to the statistics released by Gov. Kathy Hochul. <https://www.pressconnects.com/story/news/coronavirus/2021/10/14/how-many-health-workers-lost-jobs-due-ny-vaccine-mandate/8449413002/>

- Mayor de Blasio announced that six million New York City residents have received at least one dose of the COVID vaccine. More than 84% of adults in the city had received at least one vaccine dose, and 75% of teens who are 12 and older had as well. The hospitalization rate for COVID stood at .69 per 100,000 city residents as of Thursday, a new low. Dr. Mitchell Katz, CEO of Health + Hospitals (NYC's network of public hospitals and clinics) stated: "We haven't been this low since the beginning of the pandemic." <https://www.nydailynews.com/news/politics/new-york-elections-government/ny-covid-nyc-de-blasio-touts-six-million-residents-vaccinated-20211014-5ghvkope7nfltaje5wduspt5e4-story.html>
- According to a report released by the state inspector general's office, tens of thousands of appointments were erroneously scheduled through premature access to New York's COVID-19 vaccine scheduling website because of multiple failures in its design, [State of Politics reports](#).
- Consumers in New York are tightening their belts amid fears of inflation and ongoing pandemic-related economic worries. Siena's New York State Index of Consumer Sentiment fell 11.8 points since the second quarter of 2021, to reach 71.9 points. A point total of 100 is the dividing line between consumer optimism and pessimism. Upstate residents were the most pessimistic of those surveyed, registering a score of 63.4. Republicans statewide were wariest about the economy and their spending power, registering a score of 59.9. <https://www.timesunion.com/business/article/Upstate-consumers-fear-inflation-as-holidays-16532352.php>
- State budget director Robert Mujica [called in to the Capitol Pressroom](#) to explain the minimum wage increases in suburban and upstate regions.

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IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

- **John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)**