

Friday, October 22, 2021  
To: New York Community Banks

## FROM ICBA

### House Democrat expresses IRS reporting concerns

Rep. Charlie Crist (D-Fla.) became the first Democratic member of Congress to publicly express concerns with the [ICBA-opposed](#) IRS reporting proposal.

**Crist:** In a [statement](#), Crist said allowing the IRS to “data mine checking accounts” raises privacy red flags. However, Crist said he would not support “any IRS account reporting requirements that go after the middle class and working families,” which could provide wiggle room if the proposal is further revised.

**Opposition:** Crist’s statement—which came on the same day as a [letter](#) of opposition to Treasury Secretary Janet Yellen from 202 House Republicans—reflects the broad and bipartisan opposition among voters revealed by [ICBA polling](#).

**Tweaks:** Following proposals from lawmakers to tweak the IRS reporting plan to quell public opposition, [ICBA this week said](#) no amount of updating will salvage the IRS measure.

**Call Alert:** ICBA continues urging community bankers to use its [call alert and customizable script](#) to speak out against the proposal and clarify that updating the plan will not quiet their opposition.

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

**CALL CONGRESS NOW**

### NCUA approves expanded powers for CUSOs

The National Credit Union Administration approved an ICBA-opposed rule expanding credit union service organizations' permissible services and activities to include anything federal credit unions can currently do.

**Rule:** The [final rule](#) expands the powers of CUSOs to engage in business, mortgage, student, and credit card lending. It passed 2-1, over the [objections](#) of NCUA Chairman Todd Harper.

**Background:** CUSOs are corporate entities owned by credit unions but are not mutually owned, member owned, required to serve credit union members, or overseen by credit union laws and regulations. Instead, they're privately owned and often for-profit businesses.

**ICBA Comments:** ICBA earlier this year [urged the NCUA](#) to withdraw the rule to avoid dramatically deregulating CUSOs and further eroding the credit union industry's tax-exempt mission while expanding risks to consumers, the fund insuring credit union member shares, and credit unions themselves.

**Supervision:** The NCUA does not have supervisory or examination authority over CUSOs. ICBA supports Congress expanding oversight of CUSOs and third-party vendors, which it is advocating as part of its ["Wake Up" campaign](#).

### CFPB launches inquiry into Big Tech payments platforms

The Consumer Financial Protection Bureau [issued](#) a series of orders to collect information on the business practices of large U.S. tech companies that operate payments systems.

**Companies:** The bureau said it sent initial orders to Amazon, Apple, Facebook, Google, PayPal, and Square and will also study the payments practices of Chinese tech giants, including Alipay and WeChat Pay.

**Impact:** The CFPB said the information will help it better understand how these firms use personal payments data and manage data access to users so the bureau can ensure adequate consumer protection.

**Background:** The CFPB said that while families and businesses benefit from payment innovations, new products and business models present risks to consumers and the marketplace.

### **FSOC: Climate change increasingly threatens financial stability**

The Financial Stability Oversight Council [released](#) a report identifying climate change as an emerging and increasing threat to U.S. financial stability.

**Details:** The report recommends U.S. financial regulators:

- Assess climate-related financial risks to financial stability.
- Enhance disclosures to promote transparency for investors.
- Improve climate-related data to better measure risk.
- Build capacity and expertise to manage risks.

### **Global watchdog issuing digital asset guidance next week**

The Financial Action Task Force—a global anti-money-laundering watchdog—[finalized](#) digital asset guidance and said it will issue the guidance next week.

**Guidance:** The FATF said the guidance will be released Oct. 28 and is designed to provide details on how countries and the private sector can implement its standards.

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

### **Fed issues new restrictions on officials' securities transactions**

The Federal Reserve Board [issued new rules](#) barring Fed policymakers and senior staff from purchasing individual securities. The policies also restrict active trading and require more timely disclosures.

**Details:** Following recent reports of securities trading by top Fed officials, the new rules:

- Limit policymakers and senior staff to purchases of mutual funds and other diversified investment vehicles.
- Require 45 days' advance notice for purchases and sales of securities.
- Bar transactions during periods of heightened financial market stress.
- Require reserve bank presidents to publicly disclose transactions within 30 days, as is required of board members and senior staff.
- Will be implemented in the coming months.

### **OCC updates payments booklet**

The [OCC issued](#) a revised “Payment Systems” booklet of the Comptroller’s Handbook. The updated booklet informs examiners on payment systems and risk management while providing expanded exam procedures.

### **Survey: Banks reducing turnover despite ‘great resignation’**

While many industries are struggling to retain talent amid mass resignations, banks have cut down on employee turnover, according to the [2021 Crowe Compensation and Benefits Survey](#).

**Turnover:** A new article from [Consulting.us](#) previews the Crowe report, which found the median turnover rate for bank nonofficer roles dropped from 23.6% in 2019 to 16.2% in 2021, the lowest level in four years.

**Full Results:** The 2021 Crowe survey is now available for purchase. With responses from 437 banks, the report provides key information on salary and benefit trends, turnover, and director compensation. [Learn more.](#)

### Existing-home sales rebound in September

Existing-home sales rose 7.0% in September from the previous month but remained down 2.3% from a year ago, the National Association of Realtors [said](#). Each of the four major U.S. regions experienced a month-over-month increase on improved housing supply.

### FROM OTHER SOURCES

- The CDC recommended COVID-19 booster shots from Moderna Inc. and Johnson & Johnson for at-risk Americans, and also signed off on mixing vaccines with a different booster dose, greenlighting the shots to become available today after unanimous support from a CDC advisory panel. The vast majority of the nearly 190 million Americans who are fully vaccinated against COVID-19 have received the Pfizer or Moderna options, while J&J recipients account for only about 15 million. [The Wall Street Journal](#). . . . **Lauren Gardner reports in "Politico"**. [https://apnews.com/article/coronavirus-pandemic-science-business-health-centers-for-disease-control-and-prevention-4753c485c75ee34268e1a7de918a7581?user\\_email\\_address=181114682c8dcfc1d2ebbad8dc0a302e&utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=MorningWire\\_Oct22&utm\\_term=Morning%20Wire%20Subscribers](https://apnews.com/article/coronavirus-pandemic-science-business-health-centers-for-disease-control-and-prevention-4753c485c75ee34268e1a7de918a7581?user_email_address=181114682c8dcfc1d2ebbad8dc0a302e&utm_source=Sailthru&utm_medium=email&utm_campaign=MorningWire_Oct22&utm_term=Morning%20Wire%20Subscribers)
- U.S. health regulators are expected to weigh in soon on the evidence for giving the Covid-19 vaccine from Pfizer Inc. and BioNTech SE to children 5 to 11 years old. [https://www.wsj.com/articles/fda-review-of-pfizer-covid-19-vaccine-for-kids-expected-11634900401?mod=hp\\_lead\\_pos6&mkt\\_tok=ODUwLVRBQS01MTEAAAGARvCL8O1XqE7J6Cw911n2iYH8t82rFgax3jax2koxNvadloeBGX-igJjUd8oolFgVcKl\\_Bw6xW2dyCjpZcdlZly\\_en7AvBUUqxAZxPjjGjQ9](https://www.wsj.com/articles/fda-review-of-pfizer-covid-19-vaccine-for-kids-expected-11634900401?mod=hp_lead_pos6&mkt_tok=ODUwLVRBQS01MTEAAAGARvCL8O1XqE7J6Cw911n2iYH8t82rFgax3jax2koxNvadloeBGX-igJjUd8oolFgVcKl_Bw6xW2dyCjpZcdlZly_en7AvBUUqxAZxPjjGjQ9)
- This winter probably won't bring another crushing COVID wave, experts say: "I sort of think we're in a version of what our reality is going to be for the foreseeable future. Maybe it gets 10 or 20% better, maybe it gets 10 or 20% worse. But I can't see it getting 90% better or 90% worse," said the chairman of the University of California, San Francisco Department of Medicine. [https://www.axios.com/newsletters/axios-vitals-705c9806-d150-473d-beab-e6137407e943.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_a\\_xiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-705c9806-d150-473d-beab-e6137407e943.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_a_xiosvitals&stream=top)
- A critical mass of Americans have been vaccinated — some even boosted — or have some natural immunity after having the illness. And vaccines for kids are expected soon. That should protect against the sort of wide resurgences of severe illness the U.S. experienced last winter, said Justin Lessler of the University of North Carolina's [COVID-19 Scenario Modeling Hub](#). Its models predict a steady drop in COVID cases through March. It's possible another new variant will emerge, but one expert noted "even if we do see some resurgences due to a more transmissible variant or people relaxing in their behaviors, I'd be very surprised if we saw surges to the level of last winter." [https://www.axios.com/newsletters/axios-vitals-705c9806-d150-473d-beab-e6137407e943.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_a\\_xiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-705c9806-d150-473d-beab-e6137407e943.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_a_xiosvitals&stream=top)
- That's not to say we're out of the woods yet. We'll still see localized outbreaks and will have to continue taking precautions throughout the winter. Dr. Fauci told [CBS' "Face the Nation"](#) last weekend it's "just too soon to tell" whether holiday gatherings should still be limited again this year. While vaccines are expected to be approved for kids soon, there are still questions about

how many parents [will want to get their kids vaccinated](#). They may not be rolled out in time to get fully vaccinated before the holidays. [https://www.axios.com/newsletters/axios-vitals-705c9806-d150-473d-beab-e6137407e943.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-705c9806-d150-473d-beab-e6137407e943.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top). . . [Read more](#).

- President Joe Biden sought to use a 90-minute nationally televised town hall to breathe life into his domestic agenda, making a final push for Democratic lawmakers to unite behind trillions of dollars in new spending, [The Washington Post reports](#).
- President Joe Biden said Thursday night that Americans should expect high gasoline prices to continue into next year because of policies by OPEC and other foreign oil producers. [https://www.bloomberg.com/news/articles/2021-10-22/biden-says-u-s-gasoline-prices-will-remain-high-into-2022?mkt\\_tok=ODUwLVRBQS01MTEAAAGARtVv8PvrPrKT1p4RRpwBmPhctcGhnIhjvZ11IAI2rg7OVcjskaFbet\\_sg0n7u\\_jXhNfq59RjNaDLy82AyBO2yJIzOG3XF-tvrIqJxFP-GBGj](https://www.bloomberg.com/news/articles/2021-10-22/biden-says-u-s-gasoline-prices-will-remain-high-into-2022?mkt_tok=ODUwLVRBQS01MTEAAAGARtVv8PvrPrKT1p4RRpwBmPhctcGhnIhjvZ11IAI2rg7OVcjskaFbet_sg0n7u_jXhNfq59RjNaDLy82AyBO2yJIzOG3XF-tvrIqJxFP-GBGj)
- Jobless claims fell slightly and notched a new pandemic low last week, a sign layoffs remain low as companies struggle to hire workers. Worker filings for initial unemployment benefits decreased to 290,000 last week from a revised 296,000 a week earlier, the Labor Department said Thursday. [https://www.wsj.com/articles/weekly-jobless-claims-10-21-2021-11634761575?mkt\\_tok=ODUwLVRBQS01MTEAAAGARtVv7yz7s8E73uidU5xbVojXBZG9vk-VpwrSnXKgyqufmVB29Hu4Um\\_U\\_bX8X1ZJm8As3n-XReMTk13FqDiEDQDu7dxY5I0y3Nu9BngObcl](https://www.wsj.com/articles/weekly-jobless-claims-10-21-2021-11634761575?mkt_tok=ODUwLVRBQS01MTEAAAGARtVv7yz7s8E73uidU5xbVojXBZG9vk-VpwrSnXKgyqufmVB29Hu4Um_U_bX8X1ZJm8As3n-XReMTk13FqDiEDQDu7dxY5I0y3Nu9BngObcl)

#### FROM NEW YORK

- New York Federal Reserve Bank President John Williams said Thursday that U.S. home prices are rising rapidly because of low interest rates and as people seek out living space during the COVID-19 pandemic, but the trend doesn't yet pose big risks for financial stability. [https://www.reuters.com/world/us/ny-feds-williams-says-rising-home-prices-dont-pose-financial-stability-risks-2021-10-22/?mkt\\_tok=ODUwLVRBQS01MTEAAAGARtVv7yQgDK1Tfka0jbQAkkLqHucfcya3t-ymbqxTa8aPd-BMIXGksZf4rFmElbx3xFpLEO8AwhdaDjnNw48SeiNJiz4OaCqc22AxCyXIvTio](https://www.reuters.com/world/us/ny-feds-williams-says-rising-home-prices-dont-pose-financial-stability-risks-2021-10-22/?mkt_tok=ODUwLVRBQS01MTEAAAGARtVv7yQgDK1Tfka0jbQAkkLqHucfcya3t-ymbqxTa8aPd-BMIXGksZf4rFmElbx3xFpLEO8AwhdaDjnNw48SeiNJiz4OaCqc22AxCyXIvTio)
- Employers will no longer be allowed to test employees for cannabis, according to new regulations released by the state Department of Labor, making New York the first state in the country to prohibit employers from testing both current and prospective workers, [State of Politics reports](#).
- Legislation signed by Gov. Hochul this week is meant to propel the enrollment of private-sector workers in retirement savings plans if their employer doesn't already offer one. [Read More](#)
- The State Department of Labor announced that New York's unemployment rate last month fell from 7.4% to 7.1%, driven by a modest increase in the private sector job count, [State of Politics reports](#).
- A report released by state Comptroller Tom DiNapoli found that earnings on Wall Street continued its good run in the first half of the year even as the industry continued to shed jobs at an increased pace, [Spectrum News reports](#). For the first six months of 2021, pre-tax earnings hit \$31 billion, up from \$27.6 billion from the same period last year, and the most since 2009. 'Wall Street's success during the pandemic has benefited New York's economy and finances during a difficult time,' DiNapoli said

- Gov. Hochul continued to round out her new administration, filling vacant, but key posts at the state's homeland security office, the Office of General Services and a new state inspector general, [State of Politics reports](#).
- Gov. Hochul signed an unannounced executive order this week that seeks to compel the U.S. Department of Veterans Affairs to provide the state with its COVID-19 immunization records, an escalation in a back-and-forth between the state and a federal agency, [the Times Union reports](#).
- Senate Majority Leader Schumer has gone where many other mainstream Democrats will not, [endorsing the Democratic nominee for mayor of Buffalo](#) . He threw his support last night behind India Walton, the democratic socialist who defeated incumbent Byron Brown in the Democratic primary and now faces a heated general election rematch with Brown as a write-in candidate.
- Tenant organizers across the state say there's a dire, and growing, trend of landlords changing locks, shutting off utilities and taking other drastic measures to get tenants out – and court data shows that few of these landlords face legal consequences, [New York Focus reports in partnership with City & State](#).
- A Siena poll of New Yorkers think the worst of the pandemic is over.
- New York's unemployment rate [fell from 7.4 to 7.1 percent](#) last month.

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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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