

Wednesday, October 27, 2021  
To: New York Community Banks

Good morning,

Our fellow New York community banker (and former IBANYS Chairman and current board member) Bob Fisher, Chairman of ICBA, testified in Washington yesterday at a House Ways & Means Committee GOP roundtable and opposed the IRS reporting proposal. Bob continues to provide outstanding leadership on behalf of community bankers in New York and throughout the nation. You can read his testimony and learn the latest on this issue in the lead article below under our "From ICBA" section. You can read his testimony and learn the latest on this issue in the lead article below under our "From ICBA" section.

-- John

### FROM ICBA



#### ICBA testifies on IRS reporting as Manchin speaks out

ICBA testified against the widely opposed [IRS reporting proposal](#) while a key Democratic senator raised objections to the policy.

**Roundtable:** ICBA Chairman Robert Fisher [said](#) at a House Ways and Means Committee Republican [roundtable](#) that tweaks to the harmful IRS plan won't quell the opposition and that policymakers must reject it outright.

**Manchin:** Meanwhile in Washington, Sen. Joe Manchin (D-W.Va.) [said](#) he opposes the proposal no matter the reporting threshold and that he has told President Joe Biden the plan is "screwed up."

**Doubts Spreading:** Manchin's remarks come after Rep. Charlie Crist (D-Fla.) last week became the first Democratic member of Congress to publicly express [concerns](#) with the IRS proposal.

**Grassroots:** ICBA is encouraging community bankers to [call their members of Congress](#) in opposition and to continue using customizable [email and social media content](#) to urge consumers to call lawmakers.

**Calls Critical:** ICBA Director of Advocacy Jack Coleman notes in a [recent blog post](#) that phone calls to congressional offices are four times more effective than emails—making them particularly vital with Congress pressing its reconciliation package.

#### [URGE CONSUMER CALLS](#)

#### N.H. bankers lead joint effort against IRS plan

The New Hampshire Bankers Association spearheaded a [joint letter](#) calling on the state's congressional delegation to reject the widely opposed IRS reporting proposal.

**Outreach:** The joint letter from groups including NFIB-New Hampshire and the NH Association of Realtors generated [coverage](#) in the New Hampshire Union Leader following a recent [op-ed](#) from association President Kristy Merrill.

**Call Alerts:** ICBA is calling on community bankers to use its [call alert and customizable script](#) to speak out against the proposal and to use custom [email and social media content](#) to urge consumer opposition.

### **OCC's Hsu: Avoid LIBOR complacency**

Acting Comptroller of the Currency Michael Hsu emphasized the importance of a smooth transition away from LIBOR.

**Remarks:** [Hsu said](#) complacency by bank management in the LIBOR transition could have a negative impact on operations, safety, and soundness.

**Joint Statement:** Federal and state regulators last week [issued a joint statement](#) emphasizing that they expect supervised institutions with LIBOR exposures to continue an orderly transition from the reference rate.

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

### **OCC issues FAQs on rescinding CRA rule**

The OCC issued responses to [frequently asked questions](#) on its proposal to rescind its June 2020 Community Reinvestment Act rule and replace it with interagency rules adopted in 1995.

**Details:** The FAQs include details on how the rescission will affect bank types that are based on the 2020 rule, which could affect banks near a size category threshold.

**Deadline:** Comments on the proposal are due this Friday, Oct. 29. The proposal is slated to take effect Jan. 1, 2022.

### **OCC nomination continues generating press**

Cornell University law professor Saule Omarova's nomination for comptroller of the currency continued generating headlines.

**Coverage:** In a [new column](#), Breitbart's John Carney writes that Omarova's proposals to overhaul the banking system would mean the end of community banking. It follows coverage of ICBA's concerns with Omarova's nomination in [The New York Times](#) and [Reason](#).

**Proposals:** In a [news release](#), ICBA cited her proposals to:

- Migrate the retail banking system to the Federal Reserve.
- Establish government banking FedAccounts that the Fed is not legally permitted to offer.

### **CFPB revises Reg Z dollar amounts**

The Consumer Financial Protection Bureau [issued a final rule](#) amending the official interpretations for Regulation Z, which implements the Truth in Lending Act. This final rule revises the dollar amounts for provisions implementing TILA and amendments to TILA, with adjustments applicable Jan. 1, 2022.

### **Waters issues November committee schedule**

House Financial Services Committee Chairwoman Maxine Waters (D-Calif.) issued the panel's [hearing schedule](#) for November. The schedule includes hearings on "buy now, pay later," cyber threats, economic inclusion, and more.

## FDIC's McWilliams: Crypto guidance coming soon

FDIC Chairman Jelena McWilliams [said](#) banking regulators plan to issue guidance in the coming months clarifying how current rules affect cryptoassets, permissible bank activities, and supervisory expectations.

**Remarks:** McWilliams said stablecoins offer potential benefits, such as efficient payments, while posing potential risks that require "well-tailored" government oversight.

**Comments:** Responding to an FDIC request for feedback, ICBA in July [called for](#) interagency collaboration to provide more clarity on how existing regulatory frameworks will apply to digital assets.

**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](#).

## Home prices, sales show gains

**Home Prices:** Increased 19.8% in August from a year ago, the same as the previous month, according to the [Case-Shiller index](#).

**House Prices:** Advanced 1.0% in August from the previous month and were up 18.5% from a year ago, the Federal Housing Finance Agency [said](#).

**New-Home Sales:** Increased 14.0% in September from the previous month but remained down 17.6% from a year ago, the Commerce Department [reported](#).

**Consumer Confidence:** Increased in October following three consecutive declines, with the Conference Board's [index](#) rising to 113.8 from 109.8 in September.

## FROM OTHER SOURCES

- An FDA advisory committee signed off yesterday on allowing kids ages 5–11 to get Pfizer's COVID-19 vaccine. Some members didn't seem to think the shot will make quite as much difference for kids as it has for adults. Kids are at a relatively low risk of severe illness, compared to adults, but COVID-19 is the eighth leading cause of death among children right now. Interim FDA commissioner Janet Woodcock is expected to make the authorization this week. [https://www.axios.com/newsletters/axios-vitals-2d825342-2bf3-49f7-9ba6-58aaf752d4bd.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-2d825342-2bf3-49f7-9ba6-58aaf752d4bd.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- CDC says some immunocompromised people can get fourth COVID shot. [Axios](#)
- Despite state and national efforts to address inequalities in COVID-19 vaccination, most states still show lagging vaccination rates among people of lower incomes and education levels, even as gaps for racial and ethnic groups have largely disappeared in recent months. [Read more...](#)
- Sen. Wyden (D-OR), Chair of the Senate Finance Committee, released details on his "billionaire tax" that would require people with more than \$1 billion in assets or those who earn more than \$100 million in three consecutive years to pay capital gains taxes on the unrealized gains of their assets. [Politico](#) Before Wyden released his plan, Sen. Manchin (D-W.VA) reportedly told colleagues he's concerned about the proposal, which has gained the support of another moderate who's been powerful in shaping tax debates, Sen. Sinema (D-AZ), but the two back a proposed 15% minimum book tax on corporations with more than \$1 billion in profits. [Axios](#)
- Sen. Manchin (D-W.VA.) said the proposal to require banks to report more account information to the Internal Revenue Service is "going to be gone," saying that the idea is "screwed up." Without that measure, the reconciliation bill will lose about \$250 billion in revenue. [Roll Call](#) . . .also, *American Banker*: [Read story → . . .](#) Manchin also said a framework for an economic spending package "really should be" agreed upon this week and that he's "still" at \$1.5 trillion as

the maximum spending limit, despite other Democrats' push to increase the size of the package. [CNN](#)

- CFPB Director Chopra will testify before the Senate Banking Committee today and outline an "ambitious agenda" that includes a careful eye on big technology giants and their increasing importance to the financial system, according to his prepared remarks. Chopra will also reportedly say the CFPB will try to minimize foreclosures, and ramp up enforcement on companies that repeatedly run afoul of consumer finance laws. [Reuters](#)
- FDIC Chair Jelena McWilliams said that the agency is working with the Fed and the OCC on the conditions under which banks can engage in activities involving crypto assets. McWilliams said stablecoins should fall under tailored regulation, and that those issued outside nonbank entities need to have safe, liquid assets backing them. [Bloomberg](#)
- House Democrats are getting more creative to try to squeeze the state and local tax (SALT) deduction into President Biden's economic agenda as lawmakers face increasing pressure to cut billions of dollars from a social-spending bill. Under current law, the SALT deduction's \$10,000 limit — enacted in 2017 to help pay for Republican tax cuts — is scheduled to be in place through the end of 2025, reverting to a full tax break in 2026.  
[https://www.bloomberg.com/news/articles/2021-10-26/latest-salt-limit-idea-has-two-years-off-then-four-years-on?mkt\\_tok=ODUwLVRBQS01MTEAAAGAYKJ1w01evCJCqJ-4tYBnSCal9tG-Ps6Vy8TmFSWxO7CAuWpKOeQS2g-ejP\\_JU7RXqVocp\\_khJS\\_5EfEjQWnFbktrcKT4cukjWh3cx8BqJNNn](https://www.bloomberg.com/news/articles/2021-10-26/latest-salt-limit-idea-has-two-years-off-then-four-years-on?mkt_tok=ODUwLVRBQS01MTEAAAGAYKJ1w01evCJCqJ-4tYBnSCal9tG-Ps6Vy8TmFSWxO7CAuWpKOeQS2g-ejP_JU7RXqVocp_khJS_5EfEjQWnFbktrcKT4cukjWh3cx8BqJNNn)
- President Biden and key advisers have begun to zero in on a series of vacancies at the Federal Reserve as Chair Powell's term winds down amid a push for stricter ethics rules and a more diverse Fed board. Biden is reportedly meeting with top White House and Treasury aides to review candidates. Senate Banking Committee Chair Brown (D-OH) expects the President may release a combination of nominations -- perhaps a whole slate of four Fed board picks -- when he unveils his decision on the chairmanship. [https://www.bloomberg.com/news/articles/2021-10-26/biden-turns-focus-toward-fed-vacancies-as-powell-s-tenure-wanes?mkt\\_tok=ODUwLVRBQS01MTEAAAGAYKJ1wmEYufjYsN5bDoLz-kDklkiWLaSPsmGDD7Mx3dv6SDToIfQta4NE4dWJi0Tak05i5yZ19nqVCiIalC6gLrAZTdHXODemdLn\\_CPuOth01](https://www.bloomberg.com/news/articles/2021-10-26/biden-turns-focus-toward-fed-vacancies-as-powell-s-tenure-wanes?mkt_tok=ODUwLVRBQS01MTEAAAGAYKJ1wmEYufjYsN5bDoLz-kDklkiWLaSPsmGDD7Mx3dv6SDToIfQta4NE4dWJi0Tak05i5yZ19nqVCiIalC6gLrAZTdHXODemdLn_CPuOth01) . . . also, [https://www.bloomberg.com/news/articles/2021-10-26/senator-brown-sees-biden-unveiling-slate-of-fed-nominations?mkt\\_tok=ODUwLVRBQS01MTEAAAGAYKJ1wq2gvbvNEmylz7mYHJjDiMBjtO3fJO9XndDVv5yDm1AkXxZ\\_Mv\\_0haAQqF9C92cWMISfgT7QR5qX6qPtkKbKHNUwAhTL5Dr1x9slp4-](https://www.bloomberg.com/news/articles/2021-10-26/senator-brown-sees-biden-unveiling-slate-of-fed-nominations?mkt_tok=ODUwLVRBQS01MTEAAAGAYKJ1wq2gvbvNEmylz7mYHJjDiMBjtO3fJO9XndDVv5yDm1AkXxZ_Mv_0haAQqF9C92cWMISfgT7QR5qX6qPtkKbKHNUwAhTL5Dr1x9slp4-)
- U.S. consumer confidence increased in October following three months of declines, as the wave of Covid-19 cases due to the Delta variant started to ease. The consumer confidence index increased to 113.8 in October from a revised 109.8 in September, according to data from the Conference Board released Tuesday. [https://www.wsj.com/articles/u-s-consumer-confidence-rose-as-delta-covid-19-wave-eased-11635263487?mkt\\_tok=ODUwLVRBQS01MTEAAAGAYKJ1wzXhiJO\\_boxfeUDkrYuT2zd5xWixk9zkdEL18PVVVsG7Hjj6HWfet7L0f-sgA2CsRaJUDECgZmvjh2n4Rqz8OXBHzaEBpZyuIxyc-X](https://www.wsj.com/articles/u-s-consumer-confidence-rose-as-delta-covid-19-wave-eased-11635263487?mkt_tok=ODUwLVRBQS01MTEAAAGAYKJ1wzXhiJO_boxfeUDkrYuT2zd5xWixk9zkdEL18PVVVsG7Hjj6HWfet7L0f-sgA2CsRaJUDECgZmvjh2n4Rqz8OXBHzaEBpZyuIxyc-X)
- Home-price growth held at a record high in August, as demand from home buyers remained robust despite skyrocketing prices. The S&P CoreLogic Case-Shiller National Home Price Index, which measures average home prices in major metropolitan areas across the nation, rose 19.8% in the year that ended in August, unchanged from the prior month.  
[https://www.wsj.com/articles/home-price-growth-holds-at-record-in-august-11635253603?mkt\\_tok=ODUwLVRBQS01MTEAAAGAYKJ1w-Wq4Bsik4s-Qc7ZYcM02aEcuiffb2jGB9UQfpD4hxse7oEBgmWqGwWxiWiMCIvh2l4yDvpYW4b2eq2xZw2E1zMKlgd4gyG3SblZbvK](https://www.wsj.com/articles/home-price-growth-holds-at-record-in-august-11635253603?mkt_tok=ODUwLVRBQS01MTEAAAGAYKJ1w-Wq4Bsik4s-Qc7ZYcM02aEcuiffb2jGB9UQfpD4hxse7oEBgmWqGwWxiWiMCIvh2l4yDvpYW4b2eq2xZw2E1zMKlgd4gyG3SblZbvK)

- Dr. Deborah Birx, who helped run the coronavirus pandemic response for former President Donald Trump, told the House Select Subcommittee on the Coronavirus Crisis [that tens of thousands of deaths](#) could have been prevented after [the initial phase of the pandemic](#) if Mr. Trump had pushed mask-wearing, social distancing and other efforts to slow the spread of the virus.

### **FROM NEW YORK**

- New York will apply for additional relief funds for renters and landlords who have been struggling during the COVID-19 pandemic, Gov. Kathy Hochul signaled Tuesday after the federal government opened applications for states in additional need. [Read More](#)
- The NYPD is working to convince its members to receive lifesaving COVID-19 vaccine shots as the city's mandate deadline looms – a cutoff that could send a quarter of the police force home without pay, [the Daily News reports](#).
- Gov. Hochul vetoed five bills last night, including a proposal that would have allowed special education providers to keep monies left over from federal Paycheck Protection Program loans, [State of Politics reports](#).
- Newburgh joined the list of upstate cities to pass [good cause eviction legislation](#) helping grow the "progressive tenant protections movement" after inaction at the state level.
- Rochester is [outpacing New York state and the U.S.](#) in private sector job growth year over year.
- [The jobless rate is dropping](#), but the reason may be because many people have stopped looking for jobs.
- Former Gov. Cuomo has his own version of "the Big Lie": He and his team are asserting, falsely, that the Democrat was victimized by a coup, [Chris Churchill writes for the Times Union](#).
- [GOP gubernatorial candidate Lee Zeldin](#) is blasting SUNY for actions taken against unvaccinated workers.
- "Gauging the Gubernatorial Gauntlet: A Handicapper's Guide to the Applied Math of NYS Politics." Attorney and political strategist Bruce Gyory, an expert on national and state voting trends, provides an overview of the state's political status. <https://empirereportnewyork.com/gauging-the-gubernatorial-gauntlet-a-handicappers-guide-to-the-applied-math-of-nys-politics/>

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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](mailto:Johnw@ibanys.net); 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations ([Stever@ibanys.net](mailto:Stever@ibanys.net))**