

Monday, October 4, 2021
To: New York Community Banks

FROM ICBA

Minority bank council to Congress: reject IRS reporting plan

ICBA's Minority Bank Advisory Council continued its opposition to the Biden administration's proposal to require banks to report customer account information to the IRS.

Letter: [Writing](#) to the congressional Black, Asian Pacific American, and Hispanic caucuses, the coalition of minority depository institutions warned that the proposal would harm efforts to bank the unbanked while diverting resources from minority communities.

Campaign: ICBA continues calling on community bankers to use its customizable [email and social media content](#) to urge consumers to [contact Congress in opposition](#) to the plan.

Call Alert: In addition to the consumer campaign—which has resulted in more than 460,000 consumer messages to lawmakers—community bankers can call their lawmakers using an ICBA [call alert and customizable script](#).

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Luetkemeyer leads pushback on 7(a) direct loan proposal

House Small Business Committee Ranking Member Blaine Luetkemeyer (R-Mo.) expressed concerns with ICBA-opposed proposed changes to the SBA 7(a) loan program. **Concerns:** In a [CNBC.com](#) op-ed and [joint letter](#) to congressional leaders with other Republicans on the committee, Luetkemeyer said the government should get out of the direct lending business—noting the reconciliation package would provide \$4.5 billion to the SBA to make direct 7(a) loans. **Testimony:** ICBA last week [testified](#) before the committee on the 7(a) proposal. Bank of Charles Town, W. Va., President and CEO Alice Frazier said experimenting with direct 7(a) lending—in which the agency has a poor track record—would jeopardize access to credit for small businesses.

Blog: Where the U.S. stacks up in CBDC race

A [new ICBA blog post](#) spotlights where the United States and other nations stack up in developing central bank digital currencies. **Details:** On [Main Street Matters](#), ICBA's Nasreen Quibria says CBDCs could be one solution that addresses the heightened risk from stablecoins and other digital assets. **Latest:** "Critics argue the U.S. lags behind the rest of the world, which has geopolitical and economic implications," Quibria writes. "In reality, the U.S. is hardly trailing the rest of the world." **More:** A recent [ICBA blog post](#) discusses why a U.S. CBDC must account for the vital role played by community banks. ICBA also offers community bank primers on [crypto](#) and [central bank digital currency](#).

Administration planning crypto charter proposal: report

The Biden administration's upcoming report on digital assets will include recommendations on imposing bank-like regulation on crypto companies that issue stablecoins, The Wall Street Journal [reported](#).

Charter: The article, which reiterates previous coverage predicting a late-October release of the recommendations, also says the administration is expected to propose a special-purpose charter for such firms that would be tailored to their business models.

IMF: The article follows an International Monetary Fund [report](#) raising concerns about crypto asset risks and calling for coordination to establish international standards for regulating securities, payments, and stablecoins.

Coordination: The IMF's latest Global Financial Stability Report calls on regulators to develop risk controls in areas of systemic importance, address data gaps to improve monitoring, enhance disclosures, and implement central bank digital currencies.

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

ICBA congratulates Chopra on CFPB confirmation

ICBA [congratulated](#) Rohit Chopra on his confirmation as the next Consumer Financial Protection Bureau director. In a statement, ICBA said community banks are committed to the highest standards of consumer protection and that it will continue advocating tiered and proportionate regulations for community banks.

Key indicators edge up

Income, Spending: Personal income increased 0.2% in August but was down 0.3% adjusted for inflation, while consumer spending rose 0.4%, the Commerce Department [said](#).

Manufacturing: The Institute for Supply Management's [index](#) of economic activity in the manufacturing sector grew 1.2 percentage points in September to 61.1%.

Construction: Overall construction spending was largely [unchanged](#) in August, with private construction declining 0.1% and public construction rising 0.5%.

Sentiment: The University of Michigan [index](#) of consumer sentiment improved 3.6% in September to 72.8, down 9.5% from a year ago.

FROM OTHER SOURCES

- Johnson & Johnson is reportedly planning to ask federal regulators early this week to authorize a booster shot of its coronavirus vaccine. The firm is the last of the three federally authorized vaccine providers to call for extra injections, amid mounting evidence that at least the elderly and other high-risk groups need more protection.
https://www.nytimes.com/2021/10/04/us/politics/johnson-vaccine-booster-coronavirus.html?mkt_tok=ODUwLVRBQS01MTEAAAF_6kDgRjWkCSwC1xD7GJR5GhNSnsNO70mUtUIfvQ0IAgTQ6KdI9hmgHvGBCeMHRfUyB26bFhk7pa8PE-H0zBonFDGi5SrlgTDHsHOG7rVbkNzt
- Coronavirus vaccine mandates imposed by employers seem to be working so far, suggesting that most vaccine holdouts would rather get the shot than lose their job, [Axios' Caitlin Owens writes](#).
- States with vaccine mandates for health care workers that have taken effect, like [California and New York](#), have seen a large uptick in vaccinations.
- High-profile mandates outside of the health care sector have also been successful. For instance, United Airlines achieved nearly 100% vaccination among its employees, and Tyson Foods [announced](#) that more than 90% of its workers are now vaccinated.
- It's too soon to say whether the pandemic has eased enough for families to gather for Christmas this year, Dr. Anthony Fauci said on [CBS News' "Face the Nation"](#), noting Americans first need to focus on lowering the number of new infections and hospitalizations. Speaking on [ABC's "This Week"](#), Fauci noted that coronavirus-related hospital admissions and average daily new cases have dropped by more than 30% over the last month.
- The Biden administration [announced](#) it will require all employers with 100 or more employees to ensure their workers are vaccinated or tested weekly, but this hasn't yet been implemented.

- The Biden administration announced nursing home workers will soon be required to be vaccinated, which could be a much tougher lift. Only about two-thirds of [nursing home staff are vaccinated](#).
- About 2 million people received Pfizer COVID-19 booster shots last week and another 1 million people are scheduled for one in the next couple of weeks, the White House has announced. "That's a very strong start," said White House COVID-19 response coordinator Jeff Zients. [Read more...](#)
- As Congress considered a massive COVID-19 relief package earlier this year, hundreds of mayors from across the U.S. pleaded for "immediate action" on billions of dollars targeted to shore up their finances and revive their communities. Now that they've received it, local officials are taking their time before actually spending the windfall. https://apnews.com/article/coronavirus-states-cities-spend-federal-pandemic-funds-191dce8c75b0f5159691f0606d910d74?mkt_tok=ODUwLVRBQS01MTEAAAF_6jClnhG-3USAiBhLOiL0eExII5_JODSOQyapwsgU899136eGFP1IyoMiGtDUg3ciq23vZYSTrg2uKjSmu9QJ9oXkuF3fOIY0UQgdjfyairk
- **[President Joe Biden met with House Democrats](#)** on Friday in an attempt to unite the party around his agenda. This comes after Speaker Nancy Pelosi delayed a crucial vote on the bipartisan infrastructure bill due to a divide among Democrats.
- Top Democrats, including some of the leading progressives in Congress, say they will consider lowering the \$3.5 trillion price tag in President Joe Biden's economic spending package, following months of negotiations and pushback from a handful of the party's moderates. Rep. Pramila Jayapal (D-Wash.), chair of the Congressional Progressive Caucus, said she believes the final package will come in "somewhere between" \$1.5 trillion and \$3.5 trillion. [Financial Times](#)
- House prices are rising at a record pace but incomes aren't keeping up, which is making home ownership less and less affordable. The median American household would need 32.1% of its income to cover mortgage payments on a median-priced home, according to the Federal Reserve Bank of Atlanta. https://www.wsj.com/articles/mortgage-payments-havent-been-this-unaffordable-since-2008-11633253401?mkt_tok=ODUwLVRBQS01MTEAAAF_6jClnG0E3eQpYJewzbanZ-j-yBDtsEzvZXWGMnkjyEiFnOb90ZNjdV7L4PXDKPiDQqY6Eie8OVGDurYSzIOeWX0P-PrwIIbdLb7KWze9-MUH

FROM NEW YORK

- New York City has handed out just 10 violations to businesses since the start of a mandate requiring them to check customers for proof of vaccination for most indoor activities, [the Daily News reports](#).
- The vaccination rate for [nursing home employees statewide went from 84 percent](#) the week before a state mandate took effect to 97 percent as of Sept. 30.
- The MTA [will require newly-hired employees to be vaccinated](#) after Nov. 14.
- Long Island's largest police departments don't require officers to get vaccinated against the coronavirus, even though it has been the leading cause of line-of-duty deaths nationally the past two years, [Newsday reports](#).
- New York's requirement that virtually everyone who works in the city's public schools must be vaccinated against the coronavirus compelled thousands of Department of Education employees to get at least one dose of a vaccine in the past week, [The New York Times reports](#).

- Last week the race for governor on the Democratic side began to truly take shape. On the Republican side, the primary has been underway for months.
- If state Attorney General Letitia James decides to challenge Kathy Hochul and run for governor, Zephyr Teachout, former candidate for both attorney general and governor, will run for James's job, [the Times Union reports](#).

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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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