

Thursday, October 7, 2021
To: New York Community Banks

FROM ICBA

Blog examines research on community bank customers

A new [Main Street Matters post](#) breaks down ICBA research on the “new normal” of community bank customer behavior and preferences.

Insights: The post from ICBA Executive Vice President and Chief Marketing Officer Rob Birgfeld examines data on customers’ experience and education, use of mobile technology, and multitasking while discussing how to act on the research.

[READ MORE](#)

ICBA campaign against IRS plan continues

ICBA continues calling on community bankers to [urge customers and other consumers](#) to oppose the reconciliation package’s IRS reporting proposal.

Campaign: ICBA offers customizable [email and social media content](#) community bankers can use to urge consumers to [contact Congress in opposition](#) to the plan, which an ICBA poll found 67% of voters oppose.

Call Alert: In addition to the consumer campaign, community bankers can call their lawmakers using an ICBA [call alert and customizable script](#).

Media: The ICBA-led consumer campaign has reached new heights in recent days following coverage in the [Wall Street Journal](#), [Glenn Beck Program](#), [Bloomberg](#), [Newsweek](#), and more.

Senators continue opposition to 7(a) direct lending

A group of 15 Republican senators led by Tim Scott (S.C.) continued pushing back against ICBA-opposed proposed changes to the SBA 7(a) loan program.

Letter: In a [joint letter](#), the lawmakers say the reconciliation package’s \$4.5 billion to fund direct 7(a) lending by the SBA would be inefficient, costly, and unequitable.

More: The message follows a recent House Small Business Committee [joint letter](#) and [CNBC.com](#) op-ed from Ranking Member Blaine Luetkemeyer (R-Mo.) opposing the proposal.

Testimony: [Testifying last week](#), 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.

ARRC issues LIBOR recommendations summary

The Alternative Reference Rates Committee [released a summary](#) of its recommendations to date regarding spread-adjusted fallbacks for contracts referencing U.S. dollar LIBOR.

Summary: The document is designed to provide a single reference point for market participants to understand the ARRC’s recommendations on LIBOR fallback language.

Quarles: Federal Reserve Vice Chair for Supervision Randal Quarles this 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.

Global regulators issue guidance on stablecoin oversight

Central bankers and international securities regulators issued guidance on how financial market principles would apply to stablecoins.

Guidance: The [joint guidance](#) from the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions clarifies that international standards for payment, clearing, and settlement systems apply to stablecoin arrangements.

Impact: The paper, which has a comment deadline of Dec. 1, further demonstrates regulator concerns with stablecoins.

Next: The U.S. President's Working Group on Financial Markets is expected to issue recommendations on regulating stablecoins as soon as this month. Meanwhile, the Federal Reserve Board is working on a separate report to seek public input on stablecoins and a U.S. central bank digital currency.

ICBA Position: ICBA recently [expressed support](#) for the Basel Committee on Banking Supervision's work with banking supervisors to develop prudential regulations on cryptoasset exposures.

Background: 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](#).

DOJ team to target crypto platforms

The Justice Department has launched a team to target cryptocurrency platforms that support money laundering, a top DOJ official said

Team: As reported by [Cointelegraph](#), Deputy Attorney General Lisa Monaco said the new National Cryptocurrency Enforcement Team will draw on the expertise of cyber, money-laundering, and prosecutorial experts.

Sanctions: The Treasury Department last month [announced](#) the first-ever sanctions on a crypto exchange—Russia-based SUEX—as policymakers race to develop a regulatory structure for digital assets.

More: ICBA offers community bank primers on [crypto](#) and [central bank digital currency](#).

Digital currency growth could diminish dollar: Fed note

The rapid growth of private- and public-sector digital currencies could reduce reliance on the U.S. dollar, according to Federal Reserve researchers.

Outlook: The Fed [research note](#) says that while a shifting payments landscape and other developments could challenge the U.S. dollar's dominance, such a change is unlikely in the near term.

More: A recent [ICBA blog post](#) spotlights where the United States and other nations stack up in developing central bank digital currencies.

Private sector adds 568K jobs in September

The private sector added 568,000 jobs in September, up from a 374,000 gain in August, according to [ADP](#). Small businesses added 63,000 jobs, while midsized and large businesses added 115,000 and 390,000, respectively.

FROM OTHER SOURCES

- Pfizer and BioNTech have asked the FDA to authorize their [coronavirus](#) vaccine for emergency use for children 5 to 11 years old, the companies announced this morning. An estimated 28 million children in the United States would be eligible for the shots. The approval process is expected to take several weeks. It would be the first made available in this country for children younger than 12 years old. An FDA advisory committee is scheduled to meet Oct. 26 to discuss Pfizer-BioNTech's pediatric vaccine. Officials have said its authorization could occur between Halloween and Thanksgiving. Moderna and Johnson & Johnson are still in the research phase of the shots being used for children 5 to 11. <https://www.nbcnews.com/news/us-news/pfizer-asks->

[fda-emergency-authorization-its-covid-vaccine-kids-ages-n1280999?cid=eml_nbn_20211007&user_email=d163dc4310593552830a5494c35dcb92c7d03f0ffe00042669c5d65fadd3c0b2&%243p=e_sailthru&branch_match_id=915214389791081644&utm_medium=Email%20Sailthru](https://www.fda.gov/emergency-preparedness-response-recovery/medical-products/ucm756221.htm)

- The Delta wave may truly be behind us, though unvaccinated people in heavily unvaccinated areas will always be in danger, Axios' Sam Baker [writes](#). The U.S. is now averaging 102,000 new cases per day — a 22% drop over the past two weeks. Deaths are also falling, by a nationwide average of about 13%. The virus is now killing roughly 1,800 Americans per day. A year ago, when no one was vaccinated and the worst wave of the pandemic was just getting started, experts were sounding the alarm because cases had crept up above 50,000 a day. https://www.axios.com/newsletters/axios-am-f2ac2e28-ed88-4f15-b8bc-621337feb14d.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top
- To be sitting above 100,000 daily cases now, even after millions of Americans have been vaccinated or have some level of immunity from a previous infection, is a sign of just how transmissible the Delta variant is — and how poorly the U.S. has contained it. While some vaccinated people do get infected, almost none will die. https://www.axios.com/newsletters/axios-am-f2ac2e28-ed88-4f15-b8bc-621337feb14d.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top
- Stunning stat: Six months after every American adult became eligible for a vaccine, the virus' death toll in the U.S. is still roughly equivalent to a 9/11 every two days. https://www.axios.com/newsletters/axios-am-f2ac2e28-ed88-4f15-b8bc-621337feb14d.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top [Share this map.](#)
- Some blame the problem of the unvaccinated [on people of color](#), but the data show vaccine resistance is mostly about red America and younger adults now, KFF president and CEO [Drew Altman writes](#). 59% of the unvaccinated are Republicans, 64% are white and 46% have a high school education or less. By contrast, 14% are Black, 16% are Hispanic, and 27% live in cities. https://www.axios.com/newsletters/axios-vitals-ea1559f7-baa8-435e-931e-45c8c74e1a3e.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Unvaccinated adults often see their decision not to get the vaccination as an expression of their personal freedom. When they do get vaccinated, persuasion and information are not moving them nearly as much as seeing family members and neighbors [get sick](#). Employer mandates are another reality [influencing their behavior](#). https://www.axios.com/newsletters/axios-vitals-ea1559f7-baa8-435e-931e-45c8c74e1a3e.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Another group represents a significant share of the unvaccinated: Younger adults. Nearly 40% of the unvaccinated are 30–49 years old and another 27% are 18–29. They will make critical decisions about vaccination of the next big group of unvaccinated Americans, children. If the vaccination effort is to go where the bulk of the problem is, that's now mostly red America, younger adults and their children. [Go deeper.](#) https://www.axios.com/newsletters/axios-vitals-ea1559f7-baa8-435e-931e-45c8c74e1a3e.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Health care systems, schools, public-sector agencies and private businesses with COVID vaccine mandates have seen vaccination rates jump 20 points — in many instances to over 90%,

according to a [White House analysis](#) released ahead of President Biden's trip to Chicago today. That's a lot higher than the average fully vaccinated rate for working-age adults — 63%.

https://www.axios.com/newsletters/axios-am-f2ac2e28-ed88-4f15-b8bc-621337feb14d.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top

- Mandates are quickly becoming standard practice: They're now in place at 25% of businesses, 40% of hospitals, and colleges serving 37% of students, according to the White House. 95 million eligible Americans were unvaccinated when Biden made his mandate announcement last month. That number is down to 67 million today — and the federal rule for private businesses hasn't even been finalized yet. [Read the report.](#) https://www.axios.com/newsletters/axios-am-f2ac2e28-ed88-4f15-b8bc-621337feb14d.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top
- The White House announced Wednesday an additional \$1 billion purchase of rapid, at-home coronavirus tests as some public health officials worry the U.S. could get hit with another wave of infections this winter. https://www.nbcnews.com/politics/white-house/white-house-announce-additional-1-billion-investment-rapid-home-covid-n1280921?mkt_tok=ODUwLVRBQS01MTEAAAF_-bXgqmx8nKvqk18RWYkkTahKuUObqeED1g4lxNor_eNagI5ijDYbGhsyQh9g8BTOcI9ZsPa5zCftJVrqGQGEeI9WwjaHoCymop5LbRCd3VsO
- Emerging data indicating that a small percentage of vaccinated people develop long-term Covid-19 is helping drive the Biden administration's push to roll out boosters broadly, according to people familiar with the planning. https://www.wsj.com/articles/long-covid-concerns-help-fuel-biden-administrations-broad-boosters-push-11633604401?mkt_tok=ODUwLVRBQS01MTEAAAF_-bXgqmqGLzZeTT5Eh6hl9M5JQixKz6C7VJ9xRJu8MD-VWsFHY2NQuTp41nEAm93Ek5S2aon-savJL_Vcaw8KSUThsFon521NKXR24PuGFlqrE
- Vaccine maker Moderna is resisting pressure from the White House to increase international donations of its Covid-19 shot in 2022, according to three people with direct knowledge of the matter. https://www.politico.com/news/2021/10/07/biden-admins-moderna-international-donations-515537?mkt_tok=ODUwLVRBQS01MTEAAAF_-bXgqmqGqU9DpGH1H5CkvWkLCUaUdI64Hed4qasSwjNUFEqnvDo-5X1Bd1kt9Hq7Vi56xHl3vgTw4XHHFFIxSfU6nu4msL3lqcgVIGBcXNCPf
- Senate Democrats and Republicans are near an agreement to stave off a debt default after Minority Leader McConnell announced Republicans would agree to a vote on a short-term extension to raise the borrowing limit to December. [The New York Times](#). A group of Wall Street leaders told President Biden that the consequences of a debt default would be dire and that even small hits to the Treasury market can "cost taxpayers tens of billions of dollars over many years." [The New York Times](#)
- A bipartisan congressional group plans to introduce legislation amending the Bank Secrecy Act that to require trust companies, lawyers and others to investigate foreign clients that want to move money and assets into the American financial system. They cite the Pandora Papers investigations that showed how some of the wealthiest people in the world hide their riches in tax havens, including the U.S. The new law would require Treasury to create anti-money laundering rules for gatekeeper industries by December 2023 and to establish a national security task force to command the effort. [The Washington Post](#)
- The U.S. economy emerged from delta variant-driven setbacks in consumer sentiment, spending and employment more resilient than it has following previous case surges. Consumer confidence and spending have stabilized, and labor force participation has improved in recent

weeks. Morning Consult's [October U.S. Economic Outlook report](#) takes a look at how falling cases and continued supply-chain bottlenecks will affect economic recovery going forward. [Check out our report](#)

- Economists expect the Labor Department will report Thursday that initial unemployment claims, a proxy for layoffs, moved lower in the week ended Oct. 2 to a seasonally adjusted 345,000 from 362,000 the prior week, when claims rose by 11,000. https://www.wsj.com/articles/weekly-jobless-claims-10-07-2021-11633557625?mkt_tok=ODUwLVRBQS01MTEAAAF-aWxV9piqB4-K2G1WGl4HJbEvsyZmwATqA2HJYIGux3939XW7iW1ib_YEp65qw-4rrIaAncbp4rtZakB0Suxy-amWFRZtQrcTtXAAAnwN4Q_w
- [Job Searches Increase in September](#)
- An analysis published Wednesday by Moody's showed that racial integration reaps significant benefits for communities — and could have a significant impact on U.S. economic output. https://thehill.com/policy/finance/575683-greater-racial-integration-in-us-would-spur-economic-growth-moodys?mkt_tok=ODUwLVRBQS01MTEAAAF-aWxVwqdpDR_y7dzkmRGdRpTJ8kr_Gv-abvVztC4Yv_867S5Dn9LSqDLcKOA37ryoEGrnv3VJ1r6YGhKhJExZy3IngVIJUjspuiVMtcw_pq7
- Under a new rule from the Department of Housing and Urban Development, tenants in HUD-subsidized public housing cannot be evicted for nonpayment without providing them 30 days' notice and information about available federal emergency rental assistance. [New HUD rule aimed at preventing public housing evictions](#)
- After a slow start, the pace to distribute the first \$25 billion installment of \$46.5 billion in rental assistance is picking up. Treasury Department officials said the program had served 420,000 households in August — up from 340,000 in July — and distributed \$7.7 billion since January.
- [Eviction confusion, again: End of US ban doesn't cause spike](#)

FROM NEW YORK

- While the first phase of the state's health care worker vaccine mandate was widely viewed as successful in pressuring thousands to get the vaccine, many industry officials say they fear the second phase will result in thousands of home care workers simply quitting, [The New York Times reports](#).
- Today is Day 45 for Gov. Hochul, the end of evaluation for Cuomo administration legacy officials she inherited. While the sweep is supposed to be finalized today, the process is a continuing one, according to a [statement from Hochul's office](#). Office of General Services Commissioner Destito is the latest official to leave ahead of Hochul's self-imposed 45-day deadline to set up her new administration, [the Times Union reports](#). Health Commissioner Zucker resigned and was replaced by Mary Bassett. Others who have departed: Department of Financial Services Superintendent Lacewell (Adrienne Harris has been nominated as her successor pending Senate confirmation) and Inspector General Letizia Tagliafierro. [Read more](#).
- Governor Hochul will reportedly keep State Budget Director Robert Mujica in place to manage the state's \$212 billion state budget. Mujica is considered a competent money manager and has input on virtually every policy issue involving state spending. Hochul's decision to retain Mujica drew plaudits from the business community. <https://nypost.com/2021/10/06/hochul-keeps-cuomo-hire-robert-mujica-as-budget-director/>

- Members on the Cannabis Control Board met for the first time publicly and are already implementing changes to the state's medical marijuana program. [Read More](#)
- The State Department of Health will now share data pertaining to breakthrough cases to help show the effectiveness of vaccines. [The website](#) gives an overview, findings, rates of cases with hospitalizations, and methodological notes. It includes data up to Oct. 3, and shows there have been 95,146 laboratory-confirmed breakthrough cases of COVID-19 among fully-vaccinated people in New York State: 8% of fully vaccinated people ages 12 and up have been infected.

Of these infections, 6,567 have been hospitalized, equating to .06%. The numbers are expected to be updated regularly.

- [New York state K-12 schools](#) have reported more than 21,000 coronavirus cases since Sept. 13, with 82% of those cases coming from students, according to regional data published Tuesday by the state Department of Health.
- A new analysis found that one of roughly 1 million New Yorkers avoided falling deeper into poverty last year with the help of federal stimulus payments and heftier unemployment checks, [City Limits 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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