

Thursday, September 23, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA kicks off ad campaign targeting credit unions

ICBA launched a print and digital advertising campaign on the credit union tax exemption ahead of a key congressional hearing next week.

**Ads:** The print ads are scheduled to run this week and next in editions of USA Today in Florida, Georgia, Illinois, Indiana, Michigan, and Wisconsin.

**Resource:** The ads direct readers to [icba.org/cuhearings](https://icba.org/cuhearings) for information on how credit unions' tax exemption and bank acquisitions are affecting local communities.

**Digital:** The campaign will also feature online digital ads in the coming weeks urging policymakers to act on the tax exemption and growing acquisition trend.

**Hearing:** ICBA launched the campaign as it works to focus an upcoming House Financial Services [subcommittee hearing](#) about the future of banking on credit union-bank acquisitions.

**Advocacy:** A recent [letter to the committee](#) and a separate [LinkedIn article](#) from ICBA Chairman Robert Fisher note that these acquisitions decrease consumer access to local financial services, diminish tax revenues, and are due to the industry's tax exemption and lax regulatory oversight.

**Grassroots:** Community bankers can continue urging Congress to hold hearings on credit union acquisitions via a customizable message to lawmakers on ICBA's [Wake Up page](#) and its [Wake Up Messaging Playbook](#).

### IRS consumer campaign tops 400K messages

ICBA's campaign urging consumers to speak out against an IRS reporting proposal topped 400,000 consumer messages to members of Congress, with lawmakers continuing to consider the plan.

**ICBA Campaign:** ICBA is calling on community bankers to use its customizable [email and social media content](#) to urge consumers to [contact Congress in opposition](#) to the plan, which would require banks to report customer account information to the IRS.

**Call Alert:** Meanwhile, community bankers can call their lawmakers using a new ICBA [call alert and customizable script](#) on the proposal, which Congress is working to include in its budget-reconciliation package.

**More:** A [recent blog post](#) from ICBA President and CEO Rebeca Romero Rainey details ICBA's consumer-facing campaign against the proposal. [Access custom resources.](#)

### Banker grassroots push on proposed tax hikes continues

While urging consumers to speak out against the IRS reporting proposal, community bankers can also continue [speaking out against](#) proposed ICBA-opposed tax increases.

**Background:** Budget-reconciliation legislative text includes ICBA-opposed proposals to raise rates on pass-through shareholders and C corporations, cap the Section 199A deduction, increase the capital gains tax, and impose capital gains at death.

**Grassroots:** ICBA's [Be Heard grassroots action center](#) allows community banks to send customizable messages to their lawmakers opposing these proposed tax hikes.

### CFPB announces community bank council members

The Consumer Financial Protection Bureau announced the appointment of members to the [Community Bank Advisory Council](#) and other advisory boards.

**Details:** The CBAC advises and consults with the bureau on consumer financial issues related to community banks. Its members are:

- **Chair: John Buhrmaster, First National Bank of Scotia, N.Y.**
- Barry Anderson, F&M Bank, Edmond, Okla.
- Mary Buche, Bank of Labor, Olathe, Kan.
- Ronette Hauser-Jones, Great Plains Bank, Oklahoma City.
- Todd McDonald, Liberty Bank & Trust Co., New Orleans.
- Rebecca Melton, The National Bank of Blacksburg, Va.
- Kristina Schaefer, Fishback Financial Corp./First Bank & Trust, Brookings, S.D.
- Michael Tucker, Greenfield Cooperative Bank, Greenfield, Mass.

### **Agencies clarify Freddie Mac policies on group homes**

HUD and the Federal Housing Finance Agency [said](#) Freddie Mac will purchase mortgages secured by a property owned by an individual and rented to a group home for persons with disabilities. The clarification is designed to encourage lenders to extend credit for such mortgages.

### **OCC revises earnings, reporting booklets**

The [OCC issued](#) versions 1.0 of the "Earnings" and "Regulatory Reporting" booklets of the Comptroller's Handbook. The revised booklets replace previously issued "Analytical Review of Income and Expense" and "Regulatory Reporting" booklets, respectively.

### **Fed shrinks economic growth projections**

The Federal Reserve Board [voted](#) to hold benchmark interest rates at near zero while downgrading its projections of 2021 economic growth.

**Tapering:** The Fed reiterated that continued economic progress “may soon” warrant moderation in asset purchases. It also increased its 2022 median federal funds rate [projection](#) from 0.1% to 0.3%, reflecting growing expectations for a rate hike next year.

**Growth:** Meanwhile, the Fed decreased its projected 2021 gross domestic product growth to 5.9% from 7% in June but increased its 2022 projection from 3.3% to 3.8%.

### **Existing-home sales drop in August**

Existing-home sales decreased 2% in August from the previous month and were down 1.5% from a year ago, the National Association of Realtors [reported](#). Each of the four major U.S. regions experienced month-over-month and year-over-year declines on rising prices and low inventories.

## **FROM OTHER SOURCES**

- The FDA authorized a third shot of the Pfizer COVID-19 vaccine Wednesday night for people most vulnerable to COVID-19, allowing boosters six months after initial vaccination for people 65 years of age and older; those 18 and older who are at risk of getting severe COVID-19 due to their medical history, and people at high risk of exposure through a job or institution. Federal officials have suggested that clearance of [booster shots](#) for the Moderna and Johnson & Johnson vaccines could happen in a few weeks. [https://www.rollcall.com/2021/09/22/fda-authorizes-pfizer-covid-19-booster-for-people-at-high-risk/?utm\\_source=morningheadlines&utm\\_medium=email&utm\\_campaign=newsletters&utm\\_content=09/23/2021](https://www.rollcall.com/2021/09/22/fda-authorizes-pfizer-covid-19-booster-for-people-at-high-risk/?utm_source=morningheadlines&utm_medium=email&utm_campaign=newsletters&utm_content=09/23/2021); [The Washington Post reports](#).

- New coronavirus cases are continuing to decline, and some experts are cautiously optimistic the virus will continue to wane even into the fall and winter, [Axios' Sam Baker writes](#). The U.S. is averaging roughly 134,000 new cases per day — a 10% drop over the past two weeks. The pace of new infections, relative to each state's population, is getting worse in 27 states and improving in 23. Deaths have increased about 33% over the past two weeks, to an average of about 2,000 per day. [https://www.axios.com/newsletters/axios-vitals-75c4fed8-a1c1-404e-a3e0-292ddb13bb39.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-75c4fed8-a1c1-404e-a3e0-292ddb13bb39.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- The NIH is looking at models that suggest cases may be down to about 15,000 per day by November, [STAT reports](#). Between vaccinations and people who have already been sick, the number of Americans with some immune protection from the virus is pretty high. Vaccinations for kids will also help contain the virus. Children ages 5–11 could become eligible for vaccinations in the next several weeks, according to NIAID director Anthony Fauci. [Share the map](#). . . [https://www.axios.com/newsletters/axios-vitals-75c4fed8-a1c1-404e-a3e0-292ddb13bb39.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-75c4fed8-a1c1-404e-a3e0-292ddb13bb39.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- During a virtual COVID-19 summit hosted by the White House on Wednesday, the U.S. pledged purchases of [500 million additional doses](#) of vaccines to share globally. The U.S. also said it would donate an additional \$370 million to support administering the shots worldwide and \$380 million for the COVAX vaccination project, and also pledged \$250 million to establish a global health security intermediary fund at the World Bank aimed at preparing for future pandemics.
- President Biden is reportedly expected to nominate Cornell University Law School professor Saule Omarova to lead the Office of the Comptroller of the Currency as early as this week. Omarova has been critical of the rise of cryptocurrencies and has said that digital tokens could destabilize the economy, in addition to arguing in academic papers for moving consumer deposits into digital-dollar accounts at the Federal Reserve, part of a "a blueprint for radically reshaping the basic architecture and dynamics of modern finance." [Bloomberg](#)
- The Fed left interest rates unchanged after its policy-setting committee's meeting this week, with Fed Chairman Powell saying that there's been almost enough recovery in the economy in terms of jobs that central banks could start to slow the monthly purchases of government debt and mortgage-backed securities. That change could happen as early as their next meeting in November. [Politico](#). It said a pullback of those emergency measures "may soon be warranted." The word "soon" replaced "in coming meetings" in previous comments. [https://www.axios.com/newsletters/axios-pm-83c2b214-70c1-44dc-9302-e6477d36ca7a.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiospm&stream=top](https://www.axios.com/newsletters/axios-pm-83c2b214-70c1-44dc-9302-e6477d36ca7a.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiospm&stream=top)
- Filings for unemployment benefits likely resumed a summer decline last week, as demand for workers keeps a lid on layoffs and the economic recovery shows signs it is holding up during the latest Covid-19 surge. [https://www.wsj.com/articles/weekly-jobless-claims-09-23-2021-11632343592?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_sY5U7I9nK6hjmfgf-9CZx53QMA4f5sHX\\_--63xbuwWNV0rUPe7ehVYYsjSTKWlbcF9bsC7wzE9cs\\_11m5FNJco8EOVZBXLwVC5UIj5T7wWCKX](https://www.wsj.com/articles/weekly-jobless-claims-09-23-2021-11632343592?mkt_tok=ODUwLVRBQS01MTEAAAF_sY5U7I9nK6hjmfgf-9CZx53QMA4f5sHX_--63xbuwWNV0rUPe7ehVYYsjSTKWlbcF9bsC7wzE9cs_11m5FNJco8EOVZBXLwVC5UIj5T7wWCKX)
- President Joe Biden held talks with key congressional Democrats in an attempt to find a way forward for his "Build Back Better" agenda ahead of a self-imposed deadline next week to advance the Senate's bipartisan \$1 trillion public works measure. House Speaker Pelosi said lawmakers "are on schedule" to meet Monday's deadline for passage of the bipartisan infrastructure bill, but there's still no agreement on the party's reconciliation package that progressives have said must be passed alongside the Senate bill. [The New York Times](#)
- The House passed an amendment to the defense authorization bill that includes provisions of the SAFE Banking Act to bar federal banking regulators from taking action against banks that serve cannabis businesses operating legally under state law. There is some bipartisan support in the Senate, but key senators were unsure how the provisions would fare in their chamber, or whether

they would make it through the House-Senate conference to negotiate differences in legislation before final passage. [https://www.rollcall.com/2021/09/23/house-adds-cannabis-banking-to-ndaa-setting-up-a-test-of-senate-support/?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_sZ3X7M6SvtfPbjNVPcLFm64mNOQyD6-EWg3WVR3om3dj7XC5hL\\_niY4SV3AjWqVKin6oJu\\_CuGPZWcvfFj9XuWbAQFhvvjcRdpU2v pT6v6by](https://www.rollcall.com/2021/09/23/house-adds-cannabis-banking-to-ndaa-setting-up-a-test-of-senate-support/?mkt_tok=ODUwLVRBQS01MTEAAAF_sZ3X7M6SvtfPbjNVPcLFm64mNOQyD6-EWg3WVR3om3dj7XC5hL_niY4SV3AjWqVKin6oJu_CuGPZWcvfFj9XuWbAQFhvvjcRdpU2v pT6v6by)

- The turbocharged housing market slowed in August as near record asking prices are giving buyers pause, easing some of the frenzy that gripped the market only a few months ago. August existing-home sales posted a 2% decline from July, the biggest monthly decline since April, the National Association of Realtors said Wednesday. [https://www.wsj.com/articles/hot-u-s-housing-market-cooled-some-in-august-11632319895?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_sY5U7lxm1TWVfMKouQnZSt0qO\\_D81w\\_CFxT5BOFKfepG9b1VAfPpm9D7K68b0MGV9jHP9M9F-bYOxvbfDIyN\\_iTTRxQJHRTNv9m6KUoDNbut](https://www.wsj.com/articles/hot-u-s-housing-market-cooled-some-in-august-11632319895?mkt_tok=ODUwLVRBQS01MTEAAAF_sY5U7lxm1TWVfMKouQnZSt0qO_D81w_CFxT5BOFKfepG9b1VAfPpm9D7K68b0MGV9jHP9M9F-bYOxvbfDIyN_iTTRxQJHRTNv9m6KUoDNbut)

### FROM NEW YORK

- A judge ruled that New York City can proceed with a mandate requiring all teachers and school staff to get vaccinated against COVID-19, saying that unions' argument against the order "simply does not pass the smell test," [Politico New York reports](#). The [judge's ruling](#): New York City teachers and school staff will be required to get vaccinated against Covid-19 by Monday.
- Around 19% of hospital workers and 18% of nursing home workers around New York still have not completed their COVID-19 vaccine series, according to the state Department of Health. [Read More](#)
- An upstate judge has extended a temporary ban on the state's ability to enforce vaccine mandates for health care workers seeking religious exemptions, though it may not be the reprieve some employees hope for, [Newsday reports](#).
- Governor Hochul announced an agreement to boost overtime pay at three state university-run hospitals in an effort to stem staff shortages amid the coronavirus pandemic, [the New York Post reports](#).
- A New York program to administer about \$2.4 billion in pandemic rent and utility assistance has ramped up its application processing considerably, new data show, prompting Gov. Kathy Hochul to request additional federal funding. <https://www.law360.com/newyork/articles/1424300/ny-says-more-funds-needed-as-rent-aid-speeds-up>
- The final two appointees to New York's cannabis market oversight and regulatory panel -- Reuben McDaniel, President and CEO of the Dormitory Authority, and Jessica Garcia, assistant to the president of RWDSU -- were appointed by Governor Hochul as the state's nascent industry begins to take shape. [State of Politics reports](#).
- Governor Hochul made a number of additional appointments to her senior staff: <https://www.governor.ny.gov/news/governor-hochul-announces-administration-appointments-0>

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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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