

Friday, September 24, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA expresses concerns with OCC nominee

Following President Joe Biden's announcement that he [intends to nominate](#) Cornell University law professor Saule Omarova for comptroller of the currency, ICBA expressed concerns with her policy proposals.

**Proposals:** In a [news release](#), ICBA President and CEO Rebeca Romero Rainey cited Omarova's policy proposals to dramatically reshape the nation's banking system, including:

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

**More:** "Given these and other policy prescriptions, ICBA has questions about Omarova's ability to objectively oversee the national banking system and looks forward to working with policymakers as Congress addresses her nomination," Romero Rainey said.

### [READ RELEASE](#)

### Agreement on spending framework as IRS campaign continues

Senate Majority Leader Charles Schumer (D-N.Y.) said the White House and congressional Democrats have agreed to a framework to fund the pending budget reconciliation package, though details about the budget package and the [ICBA-opposed](#) IRS reporting proposal have not been released.

**ICBA Campaign:** With details about this new agreement on the spending bill and exact tax increases to pay for it still a secret—and still subject to debate among lawmakers—ICBA continues its campaign urging consumers to [speak out](#) against the IRS reporting plan.

**Resources:** 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:** In addition to the consumer campaign—which has resulted in more than 400,000 consumer messages to lawmakers—community bankers can call their members of Congress using an ICBA [call alert and customizable script](#) on the proposal.

**Hill Opposition:** Meanwhile, Senate Republicans continued expressing opposition to the IRS plan, with Sen. John Boozman (Ark.) writing in [The Hill](#) that it would harm small businesses and the community banks that serve them.

**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](#).

### ICBA announces credit union ad campaign launch

ICBA [publicly announced](#) its print and digital advertising campaign on the credit union tax exemption ahead of a key congressional hearing.

**Ads:** In [new print ads](#) running this week and next in editions of USA Today in Florida, Georgia, Illinois, Indiana, Michigan, Minnesota, and Wisconsin, ICBA notes the tax exemption subsidizes credit union acquisitions of local community banks.

**Call to Action:** The campaign—which also will feature online digital ads in the coming weeks—directs readers to [icba.org/cuhearings](https://icba.org/cuhearings) for more information.

**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](#).

### **Cannabis banking safe harbor included in defense bill**

The House this week voted to include an ICBA-advocated cannabis banking safe harbor as an amendment to a pending defense authorization bill.

**Latest:** Lawmakers included the SAFE Banking Act—which has not been taken up in the Senate following House passage in 2019 and again [earlier this year](#)—as an amendment to the fiscal 2022 National Defense Authorization Act.

**Details:** The legislation would establish a safe harbor for financial institutions that serve cannabis-related businesses in states that have legalized cannabis for medical or recreational use. In these states, federal regulators would not be permitted to take prejudicial action against banks solely for serving a cannabis-related business.

### **FinCEN launches reg process for antiquities trading**

The Financial Crimes Enforcement Network [requested comment](#) on amendments to the Bank Secrecy Act regarding trade in antiquities. FinCEN said the advance notice of proposed rulemaking is the first in a series of regulatory actions to implement Anti-Money Laundering Act provisions on antiquities trading.

### **CFPB reports on consumer complaint patterns**

Consumer complaints submitted to the Consumer Financial Protection Bureau from wealthier and whiter communities were more frequently about loan origination and servicing, according to a [CFPB report](#). In contrast, complaints from communities of color and lower-income communities were more frequently about credit reporting, identity theft, and delinquent servicing.

### **Regulators racing to issue crypto rules: report**

Federal regulators are racing to address the potential consumer and market risks of cryptocurrency, the New York Times [reported](#).

**Report:** The report cites efforts by the Treasury Department and other agencies to tighten regulations on stablecoins, noting the Financial Stability Oversight Council could declare stablecoins “systemically important.”

**Sanctions:** The Treasury Department this week [announced](#) the first-ever sanctions on a crypto exchange—Russia-based SUEX—while Acting Comptroller of the Currency Michael Hsu revealed deep skepticism of digital asset innovations in public [remarks](#).

**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](#).

### **In-person payments remain down from pre-pandemic levels: report**

Consumers continue to hold more cash compared to pre-pandemic levels, but in-person payments are declining, the Federal Reserve Bank of San Francisco [reported](#). According to findings from its April 2021 supplemental survey, the reserve bank said the share of individuals making in-person payments and using cash declined 15 percentage points to 60% between August 2020 and April 2021.

## CDFI Fund issues small-dollar grants

The Community Development Financial Institutions Fund [awarded](#) more than \$10.8 million in grants to community development financial institutions through the Small Dollar Loan Program. The funds provide capital to help CDFI small-dollar lending initiatives.

### FROM OTHER SOURCES

- CDC Director Walensky this morning overruled a recommendation by the agency's advisory panel that had refused to endorse booster shots of the Pfizer-BioNTech Covid vaccine for frontline workers (e.g., health care workers, teachers, and others whose jobs put them at risk.) She aligned CDC policy with the FDA's endorsements over her own agency's advisers. The FDA has authorized of booster shots for all adults with a high occupational risk. [https://www.nytimes.com/2021/09/24/world/covid-boosters-vaccine-cdc-director.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_tsQCaA0Qpf3FsFKR1LpJiUlXPeAKpzdIwFOA0y0eZCKqXN0\\_0dXrNB1OmJRP4yge4WdEkfZS3DZDqCsEVp9QB9qYvnDFcB4-g0HfK8ZbnO1z](https://www.nytimes.com/2021/09/24/world/covid-boosters-vaccine-cdc-director.html?mkt_tok=ODUwLVRBQS01MTEAAAF_tsQCaA0Qpf3FsFKR1LpJiUlXPeAKpzdIwFOA0y0eZCKqXN0_0dXrNB1OmJRP4yge4WdEkfZS3DZDqCsEVp9QB9qYvnDFcB4-g0HfK8ZbnO1z)
- House Ways and Means Chairman Richard Neal (D-MA) said he and other Democrats expect to set the threshold over which financial institutions must report account flows to the Internal Revenue Service higher than the \$600 originally proposed by the Biden administration. The threshold could be raised to \$10,000, according to a Democratic aide, but that's still tentative. [Bloomberg](#)
- Senate Majority Leader Schumer filed cloture last night to break a Republican filibuster of the government funding bill that would keep agencies open until Dec. 3. The Senate vote on the measure is scheduled for Monday evening, three days before the government is scheduled to shut down. [Punchbowl News](#)
- The White House budget office notified federal agencies to begin preparations for the first shutdown of the U.S. government since the coronavirus pandemic began, as Congress struggles to reach a funding agreement. The administration said the request is in line with traditional procedures seven days ahead of a shutdown, not a commentary on the likelihood — or lack thereof — a congressional deal. [https://www.washingtonpost.com/us-policy/2021/09/23/shutdown-congress-budget-debt-ceiling/?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_tqwrDi5Jn8sbrejGrF7Qd6UpfcYsirrC41HN8ruMvfjo4sIkPwROFsra33BuJ1drP0imCd03Zt0\\_NisTNagnameNoKUGv5jOBLjHZkh1msMG](https://www.washingtonpost.com/us-policy/2021/09/23/shutdown-congress-budget-debt-ceiling/?mkt_tok=ODUwLVRBQS01MTEAAAF_tqwrDi5Jn8sbrejGrF7Qd6UpfcYsirrC41HN8ruMvfjo4sIkPwROFsra33BuJ1drP0imCd03Zt0_NisTNagnameNoKUGv5jOBLjHZkh1msMG)
- The Fed reported that U.S. household wealth reached a record high of \$141.7 trillion in the second quarter of 2021, a \$5 trillion increase on the first quarter of 2021 when U.S. household wealth was at roughly \$136 trillion. [https://thehill.com/policy/finance/573667-us-household-wealth-rises-to-record-federal-reserve-say?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_tqwrDYYyFiKvPdkac7vbGDy7cKf\\_GGTJdO8VG4HINdhjLZ7OfVrWHKuzy5dJM0eBJrF57grL5zWJ5FYftlAQvgIaaJpDgh0LASEof7B3YHD](https://thehill.com/policy/finance/573667-us-household-wealth-rises-to-record-federal-reserve-say?mkt_tok=ODUwLVRBQS01MTEAAAF_tqwrDYYyFiKvPdkac7vbGDy7cKf_GGTJdO8VG4HINdhjLZ7OfVrWHKuzy5dJM0eBJrF57grL5zWJ5FYftlAQvgIaaJpDgh0LASEof7B3YHD)
- The number of Americans applying for unemployment aid rose last week for a second straight week to 351,000, a sign that the delta variant of the coronavirus may be disrupting the job market's recovery at least temporarily. Jobless claims were up by 16,000 from the previous week. As the job market has strengthened, unemployment aid applications, have tumbled since topping 900,000 early this year -- reflecting the economy's reopening after the pandemic recession. [https://apnews.com/article/technology-health-pandemics-coronavirus-pandemic-economy-8f93fa558a1579e6c2c35891f4643628?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_tqwrdfa8XgDiE](https://apnews.com/article/technology-health-pandemics-coronavirus-pandemic-economy-8f93fa558a1579e6c2c35891f4643628?mkt_tok=ODUwLVRBQS01MTEAAAF_tqwrdfa8XgDiE)

[XZG6Rcc1uJAb\\_NMTjfY-4Km1PXPfbA6aoF6\\_SUaoiE7ZN\\_krqj-oGDB-3QQJ-6yKAmPsTJ6oNq72kKGYNySVAMqNOLsVYT](https://www.bloombergenvironment.com/finance/2021/09/23/biden-sets-up-senate-battle-by-nominating-bank-critic-to-run-occ/?mkt_tok=ODUwLVRBQs01MTEAAAF_tqwrds3BLJkPfh6OaBkaTGkxCidj4ndhytbA1stJr7VoGYPTkBbrSEYMRmLLzUkrbJCWDpSc1IasZAefpm0jPnqmyZuGcg3JiTRC3gNSw2Md)

- President Biden has tapped a vocal critic of big banks and cryptocurrencies to run the OCC, likely triggering a contentious Senate confirmation fight. The White House announced its plans to nominate Saule Omarova, calling the Cornell University Law School professor "one of the country's leading academic experts on issues related to regulation of systemic risk and structural trends in financial markets." [https://www.bloombergenvironment.com/finance/2021-09-23/biden-sets-up-senate-battle-by-nominating-bank-critic-to-run-occ/?mkt\\_tok=ODUwLVRBQs01MTEAAAF\\_tqwrds3BLJkPfh6OaBkaTGkxCidj4ndhytbA1stJr7VoGYPTkBbrSEYMRmLLzUkrbJCWDpSc1IasZAefpm0jPnqmyZuGcg3JiTRC3gNSw2Md](https://www.bloombergenvironment.com/finance/2021-09-23/biden-sets-up-senate-battle-by-nominating-bank-critic-to-run-occ/?mkt_tok=ODUwLVRBQs01MTEAAAF_tqwrds3BLJkPfh6OaBkaTGkxCidj4ndhytbA1stJr7VoGYPTkBbrSEYMRmLLzUkrbJCWDpSc1IasZAefpm0jPnqmyZuGcg3JiTRC3gNSw2Md)
- Fed Chair Powell signaled openness to Democratic demands for tougher regulation of Wall Street under a new regulatory chief. Powell was unequivocal when asked how much he would defer to a new vice chair for supervision expected to be named this fall to oversee bank regulation. [https://www.reuters.com/business/feds-powell-opens-door-tougher-regulations-renomination-decision-looms-2021-09-23/?mkt\\_tok=ODUwLVRBQs01MTEAAAF\\_tqwrds3BLJkPfh6OaBkaTGkxCidj4ndhytbA1stJr7VoGYPTkBbrSEYMRmLLzUkrbJCWDpSc1IasZAefpm0jPnqmyZuGcg3JiTRC3gNSw2Md](https://www.reuters.com/business/feds-powell-opens-door-tougher-regulations-renomination-decision-looms-2021-09-23/?mkt_tok=ODUwLVRBQs01MTEAAAF_tqwrds3BLJkPfh6OaBkaTGkxCidj4ndhytbA1stJr7VoGYPTkBbrSEYMRmLLzUkrbJCWDpSc1IasZAefpm0jPnqmyZuGcg3JiTRC3gNSw2Md)
- While the identity of the Fed's next top regulatory official is unknown, one thing is certain: whoever gets the job will have a jam-packed agenda from capital rules and fair lending to digital assets and climate change. Trump appointee Randal Quarles' term as vice chair for supervision - a powerful role overseeing the country's largest lenders - ends in October. <https://www.reuters.com/business/finance/whether-centrist-or-progressive-feds-new-regulatory-chief-has-long-to-do-list-2021-09-23/>
- According to the latest data released Thursday by Freddie Mac, the 30-year fixed-rate average crept higher to 2.88% with an average 0.7 point. [https://www.washingtonpost.com/business/2021/09/23/mortgage-rates-show-little-change-again-this-week/?mkt\\_tok=ODUwLVRBQs01MTEAAAF\\_tqwrds3BLJkPfh6OaBkaTGkxCidj4ndhytbA1stJr7VoGYPTkBbrSEYMRmLLzUkrbJCWDpSc1IasZAefpm0jPnqmyZuGcg3JiTRC3gNSw2Md](https://www.washingtonpost.com/business/2021/09/23/mortgage-rates-show-little-change-again-this-week/?mkt_tok=ODUwLVRBQs01MTEAAAF_tqwrds3BLJkPfh6OaBkaTGkxCidj4ndhytbA1stJr7VoGYPTkBbrSEYMRmLLzUkrbJCWDpSc1IasZAefpm0jPnqmyZuGcg3JiTRC3gNSw2Md)

## FROM NEW YORK

- New Covid-19 cases and hospitalizations [have started to plateau in New York](https://www.newyorkupstate.com/coronavirus/2021/09/covid-pandemic-not-over-in-ny-yet-hochul-says-we-know-whats-coming.html), but Governor Hochul is not ready to declare victory over the pandemic: "I'm not going to feel comfortable for many more months to say that we have this under control. The vaccines have been really incredibly effective. . . People should be encouraged by these numbers." Breakthrough Covid cases in New York State have been reported in just 0.7% of the fully vaccinated population this week: Just 0.05% of the fully vaccinated population has been hospitalized with illness. <https://www.newyorkupstate.com/coronavirus/2021/09/covid-pandemic-not-over-in-ny-yet-hochul-says-we-know-whats-coming.html>
- Governor Hochul announced two new state websites today that will allow New Yorkers to track information on breakthrough infections and new variants of the [coronavirus](https://www.ny.gov/covid-19variantdata). They can be found at [www.ny.gov/covid-19variantdata](https://www.ny.gov/covid-19variantdata) and [www.ny.gov/covid-19breakthroughdatareport](https://www.ny.gov/covid-19breakthroughdatareport)
- [Coronavirus in NY: Cases, maps, charts and resources](https://www.ny.gov/covid-19breakthroughdatareport)
- New York State Health Commissioner Dr. Howard Zucker, a holdover from the Cuomo administration, has submitted his resignation. The embattled commissioner has faced bipartisan criticism for his [handling of the coronavirus pandemic](https://www.ny.gov/covid-19breakthroughdatareport). [Read more](https://www.ny.gov/covid-19breakthroughdatareport). Former New York City Health Commissioner Mary Bassett [is one of the people under consideration to replace him](https://www.ny.gov/covid-19breakthroughdatareport).

- Hospitals and nursing homes in New York are bracing for the possibility that a statewide COVID-19 vaccine mandate for health care workers could lead to staff shortages when it takes effect Monday. Doctors and nurses — and also support staff, like food service workers and cleaners — have been given until Sept. 27 to get at least their first vaccine shot in one of the nation’s most aggressive plans to protect patients.
- New York-Presbyterian [has terminated fewer than 250 employees](#) over hospital and state policies that require certain essential workers to get vaccinated, the system said Thursday.
- As New York prepares to implement mandated COVID-19 vaccinations for health care workers, nearly a third of nursing home employees in Western New York are still not fully vaccinated, [The Buffalo News reports](#).
- How the refusal of some health care workers to get the vaccine plays out needs to be monitored because if too many of them are willing to put patients at risk, some further action may be necessary, [The Buffalo News writes](#).
- When replacing resigning state Health Commissioner Howard Zucker, Hochul must appoint someone who will live up to mantras of transparency and accountability she so often repeats, while pushing for policies consistent with the best public health advice, [the Daily News writes](#).
- Governor Hochul on Thursday warned unvaccinated health care workers that they could be at risk of losing their job next week if they don’t receive at least their first vaccine dose. [Read More](#)
- The state Civil Service Employees Association has filed a petition on behalf of roughly 5,600 members who work in the state's court system, seeking an injunction to halt the vaccine mandate that is scheduled to go into effect on Monday, [the Times Union reports](#).
- As the vaccine mandate for New York City teachers is set to take effect next week, schools are bracing for next Tuesday when thousands of educators might be barred from their classrooms, [Chalkbeat New York reports](#).
- The five-person board to oversee New York's cannabis industry is now complete. A separate Office of Cannabis Management will head up day-to-day operations of the cannabis industry in New York, including marijuana sold for recreational use as well as some hemp products and the existing medical cannabis program. Governor Hochul noted: "New York’s cannabis industry has stalled for far too long..." [https://www.timesunion.com/news/article/Hochul-nominates-final-two-Cannabis-Control-Board-16482690.php?IPID=Times-Union-HP-CP-Spotlight&utm\\_source=newsletter&utm\\_medium=email&utm\\_content=headlines&utm\\_campaign=tu\\_capitolconfidential&sid=5931844b24c17c09a3f12af2](https://www.timesunion.com/news/article/Hochul-nominates-final-two-Cannabis-Control-Board-16482690.php?IPID=Times-Union-HP-CP-Spotlight&utm_source=newsletter&utm_medium=email&utm_content=headlines&utm_campaign=tu_capitolconfidential&sid=5931844b24c17c09a3f12af2)
- Governor Hochul continued to fill out her senior staff positions, making a number of new appointments. <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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