

Tuesday, September 28, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA backs bill to bar IRS reporting plan

ICBA expressed support for legislation that would bar federal agencies from developing a financial reporting regime as part of its opposition to the reconciliation package's IRS reporting proposal.

**Bill:** Introduced by Sen. Tommy Tuberville (R-Ala.), the Protecting Financial Privacy Act of 2021 would block the proposal to require banks to report customer account information to the IRS. A separate [letter](#) from Senate Republicans expressed opposition to the plan.

**Response:** In a [letter of support](#) for the bill, ICBA said adjustments to the proposal's reporting threshold would not address its fundamental problems, as it said in a [national news release](#) last week responding to plans to narrow the proposal.

**Campaign:** Meanwhile, 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, which an ICBA poll found 67% of voters oppose.

**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 lawmakers using an ICBA [call alert and customizable script](#).

## CUSTOM RESOURCES

### ICBA testifying this week on 7(a) reform

ICBA is scheduled to testify this week in opposition to legislative proposals that would authorize the SBA to provide direct loans through its 7(a) program.

**Hearing:** Bank of Charles Town, W.Va., President and CEO Alice Frazier is scheduled to testify at Thursday's House Small Business Committee [hearing](#) on small-business access to capital.

**Background:** An [ICBA-opposed provision](#) of the \$3.5 trillion budget-reconciliation package would provide \$4.5 billion to the SBA to make direct 7(a) loans of \$150,000 or less.

**Letter:** In a [recent letter](#) to the House and Senate, ICBA said:

- The SBA has a poor track record of direct lending, which is costly for taxpayers.
- Experimenting with direct SBA lending would damage the 7(a) loan program.
- Concerns about recent declines in 7(a) lending are misplaced due to the influence of the Paycheck Protection Program.
- Community banks account for 66% of 7(a) loans and led the way in PPP lending.

### Credit union ad campaign continues ahead of hearing

ICBA's print and digital [advertising campaign](#) on the credit union tax exemption continues this week ahead of a key congressional hearing tomorrow.

**Ads:** In [print ads](#) running again this week 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 features online digital ads in the coming weeks—directs readers to [icba.org/cuhearings](https://icba.org/cuhearings) for more information on the acquisition trend.

**Hearing:** ICBA launched the campaign as it works to focus tomorrow's 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](#).

### **ICBA to FDIC: Permanently raise reg asset thresholds**

ICBA called on the FDIC to permanently raise the audit and reporting requirement asset thresholds under part 363 of its regulations.

**Request:** In a [letter](#) and [national news release](#), ICBA asked the FDIC to:

- Raise the asset threshold for part 363 requirements on audited financial statements from \$500 million to \$1 billion.
- Raise the threshold for internal control assessments for management and external auditors from \$1 billion to \$5 billion.

**Impact:** ICBA said the regulatory updates are needed because:

- Community banks are confronting the thresholds given industry consolidation, inflation, and deposit increases due to COVID-19 stimulus.
- Temporary reporting relief related to the COVID-19 pandemic is scheduled to expire Dec. 31.
- The regulatory requirements are costly and burdensome for small community banks.
- The FDIC has not updated the regulatory deposit thresholds since 1993 and 2005.

### **Boston, Dallas Fed chiefs announce retirements**

Federal Reserve Bank of Boston President and CEO Eric Rosengren and Federal Reserve Bank of Dallas President and CEO Rob Kaplan said they will retire in the coming days.

**More:** Rosengren [said](#) he will move up his retirement from June 2022 to this Thursday, Sept. 30. Kaplan's retirement [is set](#) for next Friday, Oct. 8.

### **FROM OTHER SOURCES**

- Sitting before a bank of cameras at the White House complex, President Biden received a booster shot of Pfizer's coronavirus vaccine Monday. Senate Minority Leader McConnell has also received a booster shot, noting: "I've been a lifelong champion of vaccinations. Mountains of evidence tell us these shots are safe, effective, and dramatically shrink the odds of severe disease or death from covid." [https://www.washingtonpost.com/politics/biden-booster-shot/2021/09/27/43c751ca-1fc6-11ec-8200-5e3fd4c49f5e\\_story.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y2LCdAQ2Rb6a7ipoe2Q7NgmryD1K9SdpdkCDuQ20WcOXTQZGPKfJhV1Qr9zP97HumfN3M7S9OT8vZ9KKgeeiwFtLJGjQyX8XHmLnoaxM5jPH](https://www.washingtonpost.com/politics/biden-booster-shot/2021/09/27/43c751ca-1fc6-11ec-8200-5e3fd4c49f5e_story.html?mkt_tok=ODUwLVRBQS01MTEAAAF_y2LCdAQ2Rb6a7ipoe2Q7NgmryD1K9SdpdkCDuQ20WcOXTQZGPKfJhV1Qr9zP97HumfN3M7S9OT8vZ9KKgeeiwFtLJGjQyX8XHmLnoaxM5jPH)
- There have been more than 43 million cases of Covid confirmed in the U.S. since early 2020, which has led to at least 692,784 deaths, [according to a running tally by NBC News](#) on Tuesday. [https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- Hospitals saw a lot fewer patients and yet a lot more death in the early part of the pandemic, according to new [federal data](#). Hospital deaths increased at a higher rate for [adults aged 18–64](#) than

for [adults 65 and older](#). 27% of all hospital deaths between April and September 2020 were related to COVID-19, and that percentage was significantly higher for Hispanic (57%) and Black (38%) patients. [https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)

- In 2020, the surge of COVID-19 deaths forced many hospitals to request [refrigerated morgue trucks](#) because they were out of places to store bodies. This has happened again in states like [Florida](#), [Missouri](#), [Idaho](#) and [Washington](#) even though COVID-19 vaccines are now available and prevent most instances of serious illness and death. [https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- If you get hospitalized with COVID-19 and are not vaccinated, your chances of dying in the hospital remain much higher than if you are [vaccinated](#). [Share this story.](#) [https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-2a99252d-bef9-4f2f-8810-5c5431045ff2.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- Pfizer-BioNTech submitted data to the Food and Drug Administration to clear its Covid-19 vaccine for use in children ages 5 to 11, officials announced Tuesday. A formal submission to request emergency use authorization of the companies' vaccine is expected to follow in the coming weeks.
- [Yellen and Powell warn that the Delta variant is slowing the recovery.](#) Treasury Secretary Janet Yellen and Federal Reserve Chairman Jerome Powell will testify before the Senate Banking Committee today that the delta variant has slowed the country's economic recovery, although they will still paint an optimistic picture of the economy. Yellen will also address the debt limit debate, saying that it's "imperative that Congress swiftly addresses" the issue, while Powell will note that "inflation is elevated and will likely remain so in coming months before moderating." [The New York Times](#)
- The low-hanging fruit of the pandemic economic recovery has been eaten. As a result, the expansion is entering a new phase — with new risks. . .All of which could make for a bumpy autumn for the world economy, but which in the most likely scenarios would lead to a solid 2022. If, that is, everything goes the way the forecasters expect. [https://www.nytimes.com/2021/09/27/upshot/economy-risk-analysis.html?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y03bgC0xXBsVbIJU8kiUmw\\_zPMImUPCyseNjX6BhXdUJSLUfk97IGyTQAANedBnnBVBX8IOu-\\_59ri8TxMjPSF62qCVzfVhr0fTs01yrUvhZ](https://www.nytimes.com/2021/09/27/upshot/economy-risk-analysis.html?mkt_tok=ODUwLVRBQS01MTEAAAF_y03bgC0xXBsVbIJU8kiUmw_zPMImUPCyseNjX6BhXdUJSLUfk97IGyTQAANedBnnBVBX8IOu-_59ri8TxMjPSF62qCVzfVhr0fTs01yrUvhZ)
- Senate Republicans blocked a bill that would fund the government, deliver hurricane relief aid and prevent a default on the national debt, with Minority Leader McConnell saying that the party would back a "clean continuing resolution that will prevent a government shutdown" but wouldn't vote to raise the debt limit, instead pressing Democrats to use their narrow majority in the Senate to do so. Senate Majority Leader Schumer left open the possibility of voting again on a government funding measure this week, possibly without the debt ceiling attached. [The Washington Post](#)
- House Speaker Nancy Pelosi said that the House will move ahead on an infrastructure vote this week before surface transportation funding expires on Thursday, tabling the social spending plan for the moment. Democrats realized they would need to scale back the \$3.5 trillion price tag on the spending package, as Pelosi said that the House can't pass that bill until the Senate provides a topline number. [Politico](#)

- Rep. Suozzi (D-L.I.) expects there to be some kind of an agreement this week on Democrats' multitrillion-dollar social spending package, including on the state and local tax (SALT) deduction. Suozzi expects the spending package to be considered by the House Rules Committee as soon as Tuesday. Provisions on the SALT deduction are likely to be added to the bill in the Rules panel. [https://thehill.com/policy/finance/574173-new-york-democrat-says-salt-deal-could-be-reached-this-week?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y03bfwG2BXTCyNe7o0YJfLGBgGfW7g\\_WwXyY7WpOJOQXAL8CsJoWQp-bbnxAEceD1TayJ3h5uFvOGbf8Ada1pNxWvVkgWweILZre984Ek40g](https://thehill.com/policy/finance/574173-new-york-democrat-says-salt-deal-could-be-reached-this-week?mkt_tok=ODUwLVRBQS01MTEAAAF_y03bfwG2BXTCyNe7o0YJfLGBgGfW7g_WwXyY7WpOJOQXAL8CsJoWQp-bbnxAEceD1TayJ3h5uFvOGbf8Ada1pNxWvVkgWweILZre984Ek40g)
- Fed Governor Lael Brainard, a top contender to become Fed Chair next year, pushed back against concerns that inflation might soon accelerate because of difficulties hiring workers. She said that the economy was likely to make a complete recovery from the coronavirus and warned against prematurely concluding that the central bank needed to raise interest rates. [https://www.wsj.com/articles/fed-official-lael-brainard-says-labor-market-inflation-can-return-to-pre-pandemic-equilibrium-11632761414?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y03bf-7EQqbAxIMb9ZA6k0o3eYWmGaOO6aO4\\_mxj4Tl17yxzLx2P0IC97PqN58vO7JXHVCe6nPkNEmKSv3D97DN6ohB9wE\\_dAM0ts6Kx89k1](https://www.wsj.com/articles/fed-official-lael-brainard-says-labor-market-inflation-can-return-to-pre-pandemic-equilibrium-11632761414?mkt_tok=ODUwLVRBQS01MTEAAAF_y03bf-7EQqbAxIMb9ZA6k0o3eYWmGaOO6aO4_mxj4Tl17yxzLx2P0IC97PqN58vO7JXHVCe6nPkNEmKSv3D97DN6ohB9wE_dAM0ts6Kx89k1)
- A new study published by the Federal Reserve Bank of New York offers a model for potential future stress tests on big banks for their exposure to risks from climate change, according to Morgan Stanley. [https://www.bloomberg.com/news/articles/2021-09-27/fed-climate-stress-test-model-for-banks-seen-in-research-paper?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y03bf0WKwOcfEFeBsi8RGRmTb9Y6dRJn\\_0nAnfTS5R9wCRYtcnJa1bEWE\\_awjvaiO46l8HKITCT5EEW2m-QK9IW97vd68u\\_NY3p9HFwA5mTf](https://www.bloomberg.com/news/articles/2021-09-27/fed-climate-stress-test-model-for-banks-seen-in-research-paper?mkt_tok=ODUwLVRBQS01MTEAAAF_y03bf0WKwOcfEFeBsi8RGRmTb9Y6dRJn_0nAnfTS5R9wCRYtcnJa1bEWE_awjvaiO46l8HKITCT5EEW2m-QK9IW97vd68u_NY3p9HFwA5mTf)
- Banks are on pace this year to merge at a level not seen since the 2008 financial crisis. It is a sharp turnaround from last year, when the economy spiraled and many regional and community banks put merger plans on the shelf. [https://www.wsj.com/articles/bank-mergers-are-on-track-to-hit-their-highest-level-since-the-financial-crisis-11632793461?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y03bf4ZvMLk0DWo7KyYf-TZ7esDWUpVK5sQJpMHIwC\\_79Rs-JKw-s1ICSobsEEBbAuBbMm0yUK9Aq4uQeO5HIZNt71RnZdqGKHK8yEFPrlp](https://www.wsj.com/articles/bank-mergers-are-on-track-to-hit-their-highest-level-since-the-financial-crisis-11632793461?mkt_tok=ODUwLVRBQS01MTEAAAF_y03bf4ZvMLk0DWo7KyYf-TZ7esDWUpVK5sQJpMHIwC_79Rs-JKw-s1ICSobsEEBbAuBbMm0yUK9Aq4uQeO5HIZNt71RnZdqGKHK8yEFPrlp)
- Would-be homebuyers in the U.S. will have to save up for an extra year before taking the plunge, thanks to pandemic-era price gains. For the typical American, it would take eight years of stashing away 10% of monthly income to build up enough for a 20% down payment — up from seven years before Covid-19 ignited a homebuying frenzy, according to a study by Tomo, a real estate startup. [https://www.bloomberg.com/news/articles/2021-09-27/buying-a-home-in-the-u-s-will-take-an-extra-year-of-saving-up?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y03bgDpmyhFZyaxCIS2ESUXcJEwzGnJLzsVzEhgQWIL\\_9Pb4NtvCCsT0LUjMILpM9Ffvm71ajD\\_emHnbD5oSkUI4X7Nj9DTvKN8XEffAab0a](https://www.bloomberg.com/news/articles/2021-09-27/buying-a-home-in-the-u-s-will-take-an-extra-year-of-saving-up?mkt_tok=ODUwLVRBQS01MTEAAAF_y03bgDpmyhFZyaxCIS2ESUXcJEwzGnJLzsVzEhgQWIL_9Pb4NtvCCsT0LUjMILpM9Ffvm71ajD_emHnbD5oSkUI4X7Nj9DTvKN8XEffAab0a)
- Many in the regulatory community believe the Consumer Financial Protection Bureau is gearing up to launch enforcement actions against cryptocurrency firms. But that could revive a debate about the limits of CFPB power. [https://www.americanbanker.com/news/push-to-regulate-crypto-could-test-limits-of-cfpbs-power?mkt\\_tok=ODUwLVRBQS01MTEAAAF\\_y03bgFXarHOjP9TfoHj8nFsvOHRAGzka4KhWni9O-tcAkbiV94mHnK7yqPjq9UAWnvoiGcegoHPVFdpPnk9jLbgnM47ugqiFy3HC6lH\\_RM3f](https://www.americanbanker.com/news/push-to-regulate-crypto-could-test-limits-of-cfpbs-power?mkt_tok=ODUwLVRBQS01MTEAAAF_y03bgFXarHOjP9TfoHj8nFsvOHRAGzka4KhWni9O-tcAkbiV94mHnK7yqPjq9UAWnvoiGcegoHPVFdpPnk9jLbgnM47ugqiFy3HC6lH_RM3f)

## FROM NEW YORK

- Governor Hochul took executive action to allow medically trained National Guard troops to fill in for hospital workers who are refusing to get their COVID-19 shots despite the state's vaccine mandate in health care settings, [the Daily News reports](#).
- An estimated 5,000 healthcare workers at New York City's public hospitals remain unvaccinated, and will be barred from work beginning Monday as a state vaccine mandate goes into effect. [Thousands of unvaccinated city hospital staff may be barred from work as state mandate takes effect](#)
- The New York State Health Facilities Association said staffing shortages increased significantly during the pandemic and he worries about what will happen if they lose even another 10% of their workforce. [Read More](#)
- New York officials on Monday announced state health officials had embraced the findings of the Centers for Disease Control to provide booster shots to those who are eligible and would begin a rollout campaign to provide the shots. [Read More](#)
- New York City has set a new Friday deadline for unvaccinated school workers to get their first dose after a federal appeals court lifted an injunction that temporarily blocked the mandate, [the New York Post reports](#).
- The vaccine mandate for health care workers will likely be a defining episode in Hochul's early time as governor: her unwavering stance is likely to cause some short-term pain but ultimately will serve the greater good of making New York safer and healthier, [The Buffalo News writes](#).
- How effectively states distribute the first \$25 billion in COVID-related rental assistance will determine the reallocation of unspent money sent to the states – and that should bring more resources to New York, [the Daily News writes](#).
- New York House Democrats could play a major role in how the final reconciliation bill in Congress is shaped amid a push to repeal a \$10,000 cap on state and local tax (SALT) deductions. President Biden can't afford to lose any Democratic votes if he wants to get his signature, multi-trillion dollar social spending bill across the finish line, so every Democrat has a chance to influence negotiations. Congressman Tom Suozzi (D-L.I.) has led the charge to eliminate the cap on federal deductions for state and local taxes, often repeating the refrain, "No SALT, no deal." [Read more here](#).
- [New York's minimum wage in upstate counties](#) will increase Jan. 1. The NYS Department of Labor announced the minimum wage north of Westchester County will rise to \$13.20 an hour – up 70 cents from the current rate of \$12.50 an hour – after a report found evidence of pressure for wages to rise in the midst of a pandemic-driven labor shortage, [the Times Union reports](#).
- Governor Hochul on Friday marked her first month in office, during which she has responded to several ongoing and new crises and sought to begin restoring confidence in state government after nearly three full terms of the Andrew Cuomo administration. <https://www.gothamgazette.com/state/10794-kathy-hochul-first-month-governor-new-york-cuomo-era>

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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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