

Wednesday, September 29, 2021
To: New York Community Banks

FROM ICBA

IRS reporting plan spotlighted at Senate hearing

Senate Banking Committee members pressed Biden administration officials on an [ICBA-opposed](#) IRS reporting proposal during a committee hearing.

Hearing: With Treasury Secretary Janet Yellen testifying, Sen. Cynthia Lummis (R-Wyo.) [cited](#) the proposal's privacy concerns for taxpayers and regulatory burdens on community banks. Sen. Bill Hagerty (R-Tenn.) questioned the IRS's ability to keep the information it collects confidential.

Adjustments: The hearing follows [reports](#) confirming that lawmakers are working to adjust the proposal in response to criticism, though ICBA has repeatedly said tweaking the plan's reporting threshold would not address its fundamental problems.

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, 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](#)

Credit union push continues with hearing today

ICBA's print and digital [advertising campaign](#) on the credit union tax exemption continues this week as lawmakers meet today on consolidation and the future of banking.

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.

Hearing: ICBA launched the campaign as it works to focus today's House Financial Services [subcommittee hearing](#) on credit union-bank acquisitions.

Call to Action: The campaign—which also features online digital ads in the coming weeks—directs readers to [icba.org/cu hearings](#) for more information on the acquisition trend.

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 testifying tomorrow on 7(a) reform

ICBA is scheduled to testify tomorrow 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 the 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, which ICBA spoke out against in a [recent letter](#) to lawmakers.

Fed adjusting supervisory approach: Bowman

The Federal Reserve is working to adjust its supervisory approach as the banking industry evolves, Federal Reserve Governor Michelle Bowman said.

Initiative: In [public remarks](#), Bowman said the future of community banking and banking supervision are deeply interconnected and the Fed is studying the implications of industry changes on its supervision.

Pandemic: Bowman said the pandemic has shown that amid increasing financial services choices, consumers have sought the security of FDIC-insured institutions. She noted deposits at FDIC-insured institutions rose by 22% from 2019 to 2020, while community bank small-business lending rose 39%.

Powell says Fed should work with Congress on CBDC

Federal Reserve Chair Jerome Powell told Congress his agency should work with lawmakers to create a digital dollar.

Testimony: As reported by [The Block](#), Powell told the Senate Banking Committee that he prefers pursuing legislation specifically addressing a central bank digital currency to using existing laws governing the Fed's activities.

More: A recent [ICBA blog post](#) discusses why a U.S. CBDC must account for the vital role played by community banks. It also offers community bank primers on [crypto](#) and [central bank digital currency](#).

ICBA conducting digital capabilities survey

ICBA is [conducting a survey](#) on community bank digital capabilities to help it understand the industry's needs, challenges, and operations.

Details: The 20-minute survey is due by this Friday, Oct. 1. Responses are confidential and aggregated for reporting purposes.

More: More information is available from ICBA's Noah Yosif at noah.yosif@icba.org. [Complete the survey.](#)

Podcast: Financial crisis guiding OCC agenda

In a new podcast from [ICBA Preferred Service Provider](#) IntraFi Network, Acting Comptroller of the Currency Michael Hsu discusses how the 2008 financial crisis is informing his approach to new risks, including cryptocurrencies and buy-now-pay-later services. Hsu also covers his agency's proposed special-purpose fintech charter, overdraft fees, and Community Reinvestment Act reform. [Listen here.](#)

Mortgage performance improves: OCC

First-lien mortgages in the federal banking system performed better during the second quarter, the OCC [said](#). According to the agency, 95% of mortgages included in the report were current and performing at the end of the quarter, up from 91.1% a year ago.

Home prices grow, consumer confidence declines

Home Prices: Increased 19.7% in July from a year ago, up from an 18.7% annual gain in June, according to the Case-Shiller [index](#).

House Prices: Advanced 1.4% July from the previous month and were up 19.2% from a year ago, the Federal Housing Finance Agency [said](#).

Consumer Confidence: Declined in September for the third consecutive month, with the Conference Board's [index](#) falling to 109.3 from 115.2 in August.

FROM OTHER SOURCES

- A surge of searchers on the job site Indeed are hunting for roles that *don't* require COVID vaccination — mostly health-care jobs, Erica Pandey [writes](#) for [Axios What's Next](#). Job postings requiring the shot are on the rise. Expect even more as forthcoming federal rules on vaccines at work become clearer.

- Corporate America has become a central vaccine enforcer: United Airlines [said yesterday](#) it'll begin terminating 593 employees who are vax refusers. 96% of United's U.S. workers [complied](#). Companies are [raising questions](#) about who'll pay for administration-ordered testing, and how OSHA will determine which businesses must comply.
- [Several GOP lawmakers](#) are encouraging businesses to push back. In a [Gartner survey](#) of 272 legal, compliance and HR executives at companies across the country, 15% of companies said they'd fire workers who refuse the shot. New vaccination rules may add to the "[great resignation](#)": 69% of firms fear increased turnover with vaccine mandates. [Share this story](#).
- The Biden administration's COVID-19 booster shot campaign is off to a promising start, with about 1 million Americans signed up to receive a third Pfizer dose at pharmacies in the coming weeks, and adverse reactions to booster shots are rare, according to new CDC data. [Read more...](#) A CDC report found the side effects from the COVID-19 vaccine booster [are similar](#) to the second dose of the vaccine.
- Pfizer and BioNTech submitted initial data on Tuesday on their coronavirus vaccine for children ages 5 to 11 to the FDA. The companies [said a formal submission](#) to request emergency use authorization should be expected in the coming weeks
- Regulatory clearance of the Pfizer Inc. and BioNTech SE vaccine for young children may not come until November, according to a person familiar with the matter, after the companies said they won't ask for the green light for a few weeks. https://www.wsj.com/articles/pfizers-covid-19-vaccine-for-kids-may-not-be-fda-authorized-before-november-11632856430?mod=hp_lead_pos7&mkt_tok=ODUwLVRBQS01MTEAAAF_0IjKHTmRC08E_WADRKVvvenxpC4jCwqPFBYOCfpr7AT38ujerQytrnH7T7kzTbGW3kmlkzG06vVKJHHdE6r1Z3vRVdz7gYNmKHp4TF28sR0HJ
- It's still early and the parent sentiment could change as vaccines for younger kids become a reality, but while the U.S. is inching toward expanding COVID-19 vaccines to kids younger than 11, many parents may not be eager to take advantage of them, according to the latest installment of the [Axios/Ipsos Coronavirus Index](#). 44% said it was likely or somewhat likely they'd get their child vaccinated, and 42% said they were not likely to get the shot for their kids. Meanwhile, 57% of parents with kids ages 12 to 17 said their kid was already vaccinated or likely to get the shot, while 40% said they were not likely to get the shot for their child.
- When the Supreme Court decided to strike down a federal ban on evictions in August, lawmakers and housing experts mentioned a slew of devastating metaphors — cliff, tsunami, tidal wave — to describe the national eviction crisis they saw coming. https://www.washingtonpost.com/business/2021/09/28/eviction-cliff-moratorium-rental-assistance/?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXnged2tfyHHnvJb6gZHc-6kONT-yC7QRoPNmqtO00jOshAPcjrK6RLRRIP9FDHtY_16M3cABgNyfwhfWe7WuxiKBt7pf8H11xqYyf3V-O
- Treasury Secretary Yellen set a hard timeline for lawmakers to address the debt ceiling, informing House Speaker Pelosi it's "uncertain whether we could continue to meet all the nation's commitments" after Oct. 18. Senate Republicans later blocked Democrats' efforts to suspend the debt ceiling, as Minority McConnell continues his effort to force Democrats to pursue the action via reconciliation, a step reportedly discussed by Democratic leadership but viewed as "risky" by Majority Leader Schumer. [The Washington Post](#)
- The Delta variant of Covid-19 appeared to temper economic growth this summer, but economists expect the recovery from the pandemic to reaccelerate as the virus's toll eases. https://www.wsj.com/articles/u-s-economy-set-to-pick-up-speed-after-delta-driven-downturn-11632907800?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngvjQpCkKsoHtjSb99wPtrjSbwnrX

[jgYPdFXL3wXrq-SITE0uAln-IMV19E0j7dDANb2_zNYtR-ZoSdj-LvQrc2kZlWvIaM_fr7f6vLY](https://www.wsj.com/articles/consumer-confidence-continues-slide-on-covid-19-inflation-worries-11632842406?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngaNwyHrY7qLkAXmpAbr4F1AYK2nAAeIFocVEq6xdoGp-uzBo5HWjXvjYLmyIH0uBCW7Y2S4g60qKMmMifWGZGt07oO5Y5oHoewi-FngU)

- Confidence among U.S. consumers fell in September for the third consecutive month, as the Delta variant of Covid-19 and concerns about inflation weighed on households' moods. The [consumer-confidence index fell to 109.3](https://www.wsj.com/articles/consumer-confidence-continues-slide-on-covid-19-inflation-worries-11632842406?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngaNwyHrY7qLkAXmpAbr4F1AYK2nAAeIFocVEq6xdoGp-uzBo5HWjXvjYLmyIH0uBCW7Y2S4g60qKMmMifWGZGt07oO5Y5oHoewi-FngU) in September from a revised 115.2 in August. https://www.wsj.com/articles/consumer-confidence-continues-slide-on-covid-19-inflation-worries-11632842406?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngaNwyHrY7qLkAXmpAbr4F1AYK2nAAeIFocVEq6xdoGp-uzBo5HWjXvjYLmyIH0uBCW7Y2S4g60qKMmMifWGZGt07oO5Y5oHoewi-FngU
- Senator Warren (D-MA) said at a Senate Banking Committee hearing she opposes a second term for Fed Chairman Powell, calling him a "dangerous man" because of his approach to financial regulation and Warren saying he has "acted to make our banking system less safe." Other Democrats such as Senator Tester (D-MT) are pushing for Powell's nomination to a new term that would start in February. [The Wall Street Journal](https://www.politico.com/news/2021/09/28/senate-warren-powell-second-term). . [Politico](https://www.politico.com/news/2021/09/28/senate-warren-powell-second-term)
- During the Senate Banking Committee hearing, Fed Chair Powell said he would support the addition of the first Black woman to the U.S. central bank's board of governors in answer to a question about the lack of diversity, stating: "I would strongly agree that we want everybody's voice around the table, that would include Black women." https://www.bloomberg.com/news/articles/2021-09-28/powell-says-fed-wants-everyone-at-table-including-black-women?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngKijZFu2Vya_o2Mtygfy81-seOF9exmOtI5RjXhWmKYdS2J9HcQlsUjPo46N4bcoDsDzvIj_5ta-1AW3K0AAIGBxDhFLCEXL8SrWoCNS
- Negotiations between the White House and top Democratic lawmakers intensified Tuesday as President Biden scrambled to save roughly \$4 trillion in economic initiatives from an embarrassing setback at the hands of his own party. https://www.washingtonpost.com/us-policy/2021/09/28/democrats-reconciliation-cuts/?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngp_tGm-HWKNtiUtOFqWzTaobZkVBKk4pjfErPAuB3VUWuIK7ZywkzmgkML6BchPOI0JQX1Sgvon-qDFOp2-ojgGmWVKZNSyp9tpo4vK
- Wells Fargo will now begin bringing back employees who have been working remotely starting Jan. 10, 2022. It previously planned on beginning the process Nov. 1. https://www.bloomberg.com/news/articles/2021-09-28/wells-fargo-pushes-back-return-to-office-date-to-january-2022?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngLIWvA8x8zdO6LYv5s1wHzMkfUbvOay4ZtcRpXeOSq7WLaxEyBL7U0KCasTeZk0iyxY-nQsrkDXPky2TUc5hx_ZnFsoeCXn6gehTVnvx
- Home-price growth climbed to a new record in July as buyers continued to compete fiercely amid a shortage of homes for sale, but there are signs the market frenzy might be starting to ease. https://www.wsj.com/articles/home-price-growth-hit-record-in-july-11632834044?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngBEtPESZU_8i5Q4M2EL4V092Ac0vB6IHhLOYhsDZ_J4WVviYqU2ZGSuupuMgbXqrNFMdHzDLblx3NI8xmR_6ULgUCM4PIHU1ZBEcnOTRq
- A study from the federal housing finance agency Freddie Mac adds to a growing body of research that finds racism in the appraisal industry is undervaluing the homes of Black and Latino Americans compared to white-owned homes. https://www.bloomberg.com/news/articles/2021-09-28/study-finds-widespread-racial-disparities-in-appraisals?mkt_tok=ODUwLVRBQS01MTEAAAF_0HXngATE2-

FROM NEW YORK

- A statewide vaccine mandate in New York led thousands of health care workers to [get vaccinated](#).
- Governor Hochul said a Covid-19 vaccine mandate for health workers that went into effect this week is working to boost vaccination rates, providing a road map to other states that are trying to fight the highly transmissible delta variant.
- Governor Hochul signed an executive order on Monday to help alleviate potential labor shortages, directing the state Department of Health to monitor staffing statewide and provide guidance to facilities. It also allows health-care workers from outside the state, including people outside the U.S., to practice in New York, and eliminates barriers for retirees to re-enter the workforce. The Governor is still monitoring whether to deploy medically trained National Guard members to help. <https://www.bloomberg.com/news/articles/2021-09-28/new-york-s-covid-19-vaccine-mandates-are-working-officials-say>
- Around 8% of New York's hospital and nursing home staff and 11% of assisted living staff were still unvaccinated on Monday night, when the COVID-19 vaccine mandate went into effect, according to Gov. Hochul's office. [Read More](#)
- About 64% of New York City Police Department members have been vaccinated against COVID-19 – a marked increase from a month ago, but still far below the rates among other municipal workers, [Newsday reports](#).
- [Upstate hospitals suspend hundreds of unvaccinated workers...](#)
- [Hundreds let go at Central NY hospitals...](#)
- [Nursing homes/assisted living facilities hit hardest so far...](#)
- The minimum wage in upstate counties in New York will increase by 70 cents on the first day of 2022. But the broader fight over the wage in the future may be starting soon in Albany. [Read More](#)
- New York City Public Advocate Jumaane Williams, a favorite of progressives, is moving closer to challenging Gov. Hochul in a Democratic primary next year. Other potential challengers mentioned include NYS Attorney General James, Rep. Suozzi (D-L.I.) and a number of others . https://www.politico.com/states/new-york/albany/story/2021/09/28/williams-inches-closer-to-a-primary-challenge-against-hochul-1391466?mkt_tok=ODUwLVRBQS01MTEAAAF_0IjKHQ1On7sri3ttsObdqr4SdZcqKBJHJzs-M_Fy0yQIbLwK0H0LrztEYISWSuYzrtcfFsvB1hUrhFyapg85VkKzY30o8J13zSMM4dW_-UH

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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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