

Thursday, September 30, 2021
To: New York Community Banks

IRS pushback continues in local media

Community bank leaders continued the push against an ICBA-opposed IRS reporting proposal in the pages of local news media.

Montana: In the Helena [Mont.] [Independent Record](#), Opportunity Bank of Montana President and CEO Pete Johnson called on his congressional delegation to oppose the plan, which an ICBA poll found 67% of voters oppose.

Maine: Separately, Maine Bankers Association President Jim Roche wrote in the [Portland Press Herald](#) that the plan poses concerns over privacy, security, and reaching the unbanked.

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.

Call Alert: In addition to the consumer campaign—which has resulted in more than 460,000 consumer messages to lawmakers—community bankers can call their lawmakers using an ICBA [call alert and customizable script](#).

[CUSTOM RESOURCES](#)

ICBA targets credit unions, ILCs during hearing

ICBA called on Congress to investigate credit unions' tax exemption and acquisitions of community banks as part of ongoing efforts to promote competition in the U.S. economy.

Statement: In a statement for a House Financial Services [subcommittee hearing](#) on the future of banking, ICBA said President Joe Biden's executive order on promoting competition compels a broad examination of the credit union role in excessive consolidation.

Ad Campaign: The statement comes amid an ICBA [ad campaign](#) on credit unions running in editions of USA Today in Florida, Georgia, Illinois, Indiana, Michigan, Minnesota, and Wisconsin.

Call to Action: The campaign—which also features online digital ads—directs readers to [icba.org/cuhearings](#) 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](#).

ILCs: In the statement and a [joint news release](#), ICBA also called on policymakers to close the industrial loan company loophole and reexamine the risks posed by the ILC charter.

ICBA testifying today on 7(a) reform

ICBA is scheduled to testify today 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.

CFPB reports decline in credit card debt

The consumer credit card market's growth over recent years reversed course in 2020, the Consumer Financial Protection Bureau [reported](#). From a 2019 peak of \$926 billion, credit card debt fell to \$811

billion by the second quarter of 2020—the largest six-month decline on record—before reaching \$825 billion by the end of the year.

ICBA Securities broker announces sale

ICBA Securities [said](#) it appreciates the decades-long relationship with Vining Sparks following an announcement that the broker has been acquired by Stifel Financial Inc.

Impact: ICBA members will see no change to their day-to-day dialogue with Vining Sparks, ICBA Securities President and CEO Jim Reber said.

Outlook: “We look forward to working with Vining Sparks and Stifel as we enter a new phase for our wholly-owned broker-dealer,” said ICBA Securities Chairman Derek Williams, the president and CEO of Century Bank & Trust in Milledgeville, Ga.

Background: Since 1989, ICBA Securities, a wholly owned subsidiary of ICBA, has offered broker-dealer services with an inventory of portfolio investment products to community banks through Vining Sparks, one of the nation’s top 20 underwriters of agency securities.

Fed provides updates on FedNow

The Federal Reserve made several payments announcements:

- A [new blog post](#) provides an update on the FedNow pilot program and how the instant payments service has been improved by pilot participant feedback.
- A new [on-demand presentation](#) details the FedNow service and what instant payments mean for community banks.
- The FedNow ISO 20022 Readiness Portal is [now available](#) to test users’ messages.

Pending home sales rebound in August

Pending home sales increased 8.1% in August following two consecutive monthly declines, the National Association of Realtors [reported](#). Each of the four major U.S. regions recorded month-over-month growth, though contract activity was down 8.3% from a year ago.

FROM OTHER SOURCES

- New coronavirus infections in the U.S. fell by 25% over the past two weeks and is now averaging roughly 114,000 new cases per day. While still a lot, that’s a significant improvement from summer when the Delta variant unleashed a new wave of infections, hospitalizations and deaths. https://www.axios.com/newsletters/axios-vitals-1ebf9649-dff8-4d6c-a625-a97da86a2635.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Nationwide, deaths are still on the rise, because of that summer surge. They're up 4% over the past two weeks, to an average of 2,000 per day. If the decline in cases keeps going, deaths should begin to come down relatively soon. https://www.axios.com/newsletters/axios-vitals-1ebf9649-dff8-4d6c-a625-a97da86a2635.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Holiday travel and more indoor socializing as the weather gets colder will likely contribute to scattered localized outbreaks throughout the winter. And those outbreaks could always become serious strains on hospitals, especially in areas with low vaccination rates. https://www.axios.com/newsletters/axios-vitals-1ebf9649-dff8-4d6c-a625-a97da86a2635.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top

[a97da86a2635.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axisvitals&stream=top](https://www.bloombergenvironment.com/finance/a97da86a2635.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axisvitals&stream=top)

- Democrats prepared legislation to avert a government shutdown this week, but they were desperately trying to salvage President Joe Biden's domestic agenda as holdouts dug in against an ambitious \$3.5 trillion social safety net and climate bill, [the Times reports](#). [Read More](#)
- Top congressional Democrats are acknowledging for the first time that they'll have to scale back their drug pricing plans to win centrist votes for their giant social spending package, [Politico reports](#).
- 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.
- [U.S. Economy Is Expected to Pick Up Speed After Delta-Driven Downturn](#)
- Worker filings for unemployment benefits are expected to have fallen last week as the number of Covid-19 cases declined and hurricane-related disruptions eased. [Tight Labor Market Seen Keeping New Jobless Claims in Check](#)
- In the pandemic-fueled housing frenzy, first-time buyers can't compete. https://www.bloomberg.com/news/articles/2021-09-29/home-prices-jump-american-dream-of-buying-a-house-is-getting-crushed?mkt_tok=ODUwLVRBQS01MTEAAAF_1ZsgiRpZcvDuPYNZAZTIGVcm0Zi4gxDz5QIIZ_ttw2CN3YZ5dptObOhnX0Sc6_tyfzPnpdUfY3unQXdI8QLIKIKpyYJzYBxTIOjwI9MVqT5K
- Fed Chairman Powell, alongside Christine Lagarde, president of the European Central Bank, Andrew Bailey, governor of the Bank of England, and Haruhiko Kuroda, head of the Bank of Japan, said inflation could persist for some time, but should dissipate as supply-chain disruptions ease. Powell said it's "frustrating" that the "most important economic policy that we have" is controlling the spread of the delta variant and getting more of the public vaccinated. [The New York Times](#)

FROM NEW YORK

- Governor Hochul named Dr. Mary Bassett Commissioner of the Department of Health effective December 1. She will be the state's first African-American Health Commissioner, and succeeds Commissioner Zucker, who is resigning. From 2014 through summer 2018, Bassett was NYC Commissioner of Health and Mental Hygiene. She is currently Director of Harvard University's François-Xavier Bagnoud (FXB) Center for Health and Human Rights, and FXB Professor of the Practice of Health and Human Rights in the Department of Social and Behavioral Sciences at the Harvard T.H. Chan School of Public Health.
- The public health community, including physicians' groups, public health organizations and a key lawmaker in the state Senate on Wednesday cheered the appointment of Mary Bassett by Gov. Kathy Hochul to become the next commissioner of the Department of Health <https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2021/09/30/public-health-community-backs-hochul-s-health-commissioner-pick>
- Former state Health Commissioner Howard Zucker's tenure, especially his hiding of key facts about COVID-19 in nursing homes, proves an impressive pedigree doesn't guarantee good judgment as Hochul appoints Mary Bassett as his replacement, [the Daily News writes](#).

- State lawmakers want to set up a massive \$4 billion nursing home victims compensation fund to provide fiscal relief for the thousands of families whose relatives died after contracting COVID-19 in nursing homes, [the Post reports](#).
- Thousands of nurses and other medical personnel who work in state agencies that care for inmates or disabled and mentally ill individuals will not be mandated to receive coronavirus vaccinations or face the loss of their jobs, [the Times Union reports](#).
- New York's public colleges and universities began unenrolling students this week who've decided against getting vaccinated after the SUNY system's 35-day grace period for that requirement expired on Monday, [WMHT reports](#).
- [Some NYC Workers Battling 'Long COVID' Find Chances for Accommodations Remote](#)
- The Business Council of New York State, the state's main business lobbying group, has urged the entire New York Congressional Delegation to support the \$1 trillion infrastructure package as doubts over the plan's final passage continue this week. [Read More](#)
- New York City Public Advocate Jumaane Williams is officially exploring a run for governor, and he will not have to look far to see how his path to victory in a rematch against Gov. Kathy Hochul [begins in his home borough of Brooklyn](#). Here's the latest on Democrats running for governor in 2022: [Kathy Hochul — in](#). Jumaane Williams — in, at least for an [exploratory committee](#) before he makes a final decision. NYS Attorney General Tish James — not going that far yet, but [dropping not very subtle hints](#). NYC Mayor de Blasio: "I want to serve. I'm going to figure out the right way to serve."
- Barely a month after she unexpectedly [ascended to the governor's office](#) after Andrew M. Cuomo's resignation, Ms. Hochul is quietly revving up an aggressive fund-raising apparatus, seeking to build a formidable financial advantage — at least \$10 million in donations by year's end and as much as an eye-popping \$25 million by next summer, donors and advisers say — to discourage or defeat potential rivals in what may be a fierce Democratic primary next year. [Kathy Hochul Aims to Raise \\$25 Million as Likely Rivals Eye Challenges](#)

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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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