

Monday, November 1, 2021
To: New York Community Banks

FROM ICBA

Grassroots push continues against reconciliation tax hikes

With policymakers' draft framework for the budget reconciliation bill featuring numerous tax increases, ICBA is calling on community bankers to use its [Be Heard resource center](#) to speak out in opposition.

Tax Hikes: ICBA's [customizable message to Congress](#) urges lawmakers to oppose increases in corporate, individual, and capital gains taxes as well as harmful changes affecting Subchapter S institutions, taxation at death, and more.

IRS Plan: Meanwhile, ICBA continues encouraging community bankers to [call their members of Congress](#) and [rally consumers](#) in opposition to the IRS bank reporting proposal, which remains a threat even though policymakers [left it out](#) of the draft framework after ICBA-led advocacy.

CONTACT CONGRESS

ICBA to OCC: Take moderate approach to CRA rescission

ICBA advocated a moderate approach to the OCC's rescission of its 2020 Community Reinvestment Act final rule and reinstatement of the 1995 interagency CRA rule.

Potential Disruption: While ICBA continues to support the rescission of the 2020 rule—as the OCC has proposed—it said in a [comment letter](#) that an outright return to the 1995 rule would be disruptive to banks that updated their business practices or compliance systems due to the 2020 rule.

ICBA Position: Instead, ICBA encouraged the OCC to:

- Issue a final rule that generally adopts the portions of the OCC's 2020 rule that had a compliance date of Oct. 1, 2020.
- Reinstate the 1995 rule for the 2020 rule provisions for which the compliance dates have not yet occurred.

Benefits: ICBA said this approach would allow banks to continue to use newly implemented thresholds, qualifying activities criteria, strategic plans approved under the 2020 rule, and updated notices and public files.

Joint Letter: In addition to its comment letter, ICBA and other financial services groups also submitted a [joint letter](#) with similar recommendations.

IRS: Update income in Child Tax Credit portal

The IRS today [is launching](#) a new feature allowing any family receiving monthly Child Tax Credit payments to update their income using the Child Tax Credit Update Portal.

Entries: The agency is urging families to enter any significant income changes by midnight tonight to be reflected in their Nov. 15 payment.

Language Update: The IRS also said it will launch a new Spanish-language version of the portal at the end of this month.

CFPB names new supervision, enforcement officials

The Consumer Financial Protection Bureau [announced](#) the following leadership changes:

- Lorelei Salas will be assistant director for supervision policy and acting assistant director for supervision examinations. She was previously commissioner of the New York City Department of Consumer and Worker Protection.

- Eric Halperin is assistant director for the Office of Enforcement. He has served in the Justice Department's Civil Rights Division and was most recently CEO of Civil Rights Corps.

CFPB issues debt collection guidance

The Consumer Financial Protection Bureau released [several guidance documents](#) to help providers prepare for two debt collection final rules taking effect Nov. 30. The documents focus on the bureau's model validation notice, including a Spanish translation. **ICBA Position:** As advocated by ICBA, the CFPB structured the rules to apply only to third-party debt collectors, not community banks and other first-party debt collectors.

SBA: \$44.8B in 2021 lending through signature programs

The [SBA said](#) its 7(a) and 504 loan programs supported more than 61,000 traditional loans worth \$44.8 billion in fiscal 2021. The lending comprised:

- Nearly 52,000 7(a) loans worth more than \$36.5 billion.
- 9,600 504 program loans worth more than \$8.2 billion.

\$71.8 million in microloan funding to nearly 4,400 small businesses.

FDIC community banking panels meeting this week

The FDIC Advisory Committee on Community Banking's Minority Depository Institutions Subcommittee is slated to meet at 1 p.m. (Eastern time) tomorrow, Nov. 2. The full community banking panel is set to meet at the same time the following day. The meetings will be webcast on the [agency's website](#).

Hearings this week focusing on LIBOR, BNPL

The Senate Banking Committee has a hearing set for tomorrow on the LIBOR transition's impact on consumers and investors. Also this week, the House Financial Services Committee has hearings scheduled on "buy now, pay later," cyber threats, and natural resources.

FinCEN renews Geographic Targeting Orders

The Financial Crimes Enforcement Network [renewed](#) its Geographic Targeting Orders that require U.S. title insurance companies to identify the natural persons behind shell companies used in all-cash purchases of residential real estate. The purchase amount threshold remains \$300,000 for each covered metropolitan area.

Consumer income, sentiment decline

Income, Spending: Personal income decreased 1.0% in September while consumer spending rose 0.6%, the Commerce Department [reported](#).

Sentiment: The University of Michigan's index of consumer sentiment [declined](#) 1.5% in October from the previous month and was down 12.3% from a year ago.

FROM OTHER SOURCES

- Sen. [Joe Manchin](#) (D-W.Va.) this afternoon demanded that the House take up the Senate-passed bipartisan infrastructure bill immediately while making it clear he's not yet ready to support a separate social and climate spending bill. Manchin railed against House

progressives, accusing them of holding the infrastructure bill, which he helped negotiate, "hostage" and warned that the tactics won't force him to commit to the separate \$1.75 trillion spending bill before he is ready. <https://thehill.com/homenews/senate/579443-manchin-demands-infrastructure-vote-holds-off-support-on-spending-bill>

- The global death toll from COVID-19 topped 5 million today, less than two years into a crisis that has not only devastated poor countries but also humbled wealthy ones with first-rate health care systems, [The Associated Press reports. More from National Geographic](#)
- President Biden's big vaccine mandate — the OSHA rule requiring all big companies to vaccinate or regularly test their workers — [is ready and will go into effect within days](#)
- Biden Administration officials announced at this morning's pandemic briefing that the U.S. has now reached 70% of adults fully vaccinated and 80% with at least one dose. <https://www.politico.com/newsletters/playbook-pm/2021/11/01/manchins-moment-of-truth-494928?nname=playbook-pm&nid=0000015a-dd3e-d536-a37b-dd7fd8af0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=964328>
- The Food and Drug Administration took action Friday to allow school-age children to qualify for COVID-19 vaccines as soon as next week. The FDA authorized a two-dose series of the Pfizer-BioNTech vaccine, but with just one-third of the active ingredient, for children 5 to 11 years old. [Read more...](#)
- With COVID caseloads falling and the country's vaccination rate rising slowly but steadily, the labor market is now seeing some signs of a hiring boost as the country continues to climb out of the gigantic employment hole left by the pandemic. New unemployment claims have fallen every week for a month straight — down to a pandemic low of 281,000. https://www.washingtonpost.com/business/2021/11/01/labor-market-jobs-hiring/?mkt_tok=ODUwLVRBQS01MTEAAAGAelau_MxyYsV8boFaZqUQLFcKCG05ymIOFTHyGyNY-8g7EUUp4MAMFAYF-EkwtGI6qfv0vFPEqVWsvcoOwfCuWMIWRHanq-b010k2v7ejoyU6
- Business surveys like [IHS Markit's purchasing managers' index](#) show that service sector employers — the largest portion of the economy, by far — are increasing workforce numbers at the quickest rate since June, when the country added nearly 1 million workers to the payrolls.
- Consumer confidence, the engine of the U.S. economy, reversed a months long slide in October to mark high numbers, according to [the Conference Board's monthly survey](#).
- Before Sen. Manchin's announcement, President Biden's economic agenda appeared on track for passage by Congress even as Democrats are still skirmishing over lingering differences on a \$1.75 trillion social-spending plan. House Democratic leaders are pushing hard to get that package finalized, with votes on both that bill and a smaller infrastructure plan this week — the latest in a string of self-imposed deadlines. https://www.bloomberg.com/news/articles/2021-11-01/biden-plan-gathers-steam-as-feuding-democrats-see-path-to-vote?mkt_tok=ODUwLVRBQS01MTEAAAGAelau_Ix0UilxZyrZYQ1wqXFPfr8qJ-JW-gqYbgY8qo-n3fWNsSrX-JbTm2PxSE-tfzcWnNewvJUBw1K8E1W6CDf1Zk5gPSdOrXrtfXdj_KOY
- The House Rules Committee has delayed a markup set for today on the Democrats' social spending reconciliation package. A committee aide said the panel is still aiming to advance the bill "as early as possible this week." [The Hill](#)
- In the reconciliation talks, lawmakers were reportedly closing in on a measure that would lower prescription drug prices by redesigning Medicare Part D, drug negotiation and rebates. The measure was not included in a framework outlined by the White House last week, but was the focus of weekend negotiations over the package. [Politico](#)
- President Biden took several steps to address supply-chain problems as he met leaders from major global economies, including the European Union, to address recent disruptions. He issued an

executive order during the Group of 20 summit on Sunday aimed at speeding up the response to shortfalls of supplies, equipment and raw materials housed in the U.S.'s National Defense Stockpile. https://www.bloomberg.com/news/articles/2021-10-31/biden-taps-pentagon-weapons-buyer-to-oversee-stockpile-use?mkt_tok=ODUwLVRBQS01MTEAAAGAelau_DAhXD5Gh-SEs4mAG6GsshAH0wCVjamCDL4OZFPtpeyBVnTHJ1uoNJZzVYX5EwPdDWskrjsfVgcFu7foKpN0QFu6UcpidoYWkS3RFn2LM

- President Biden wants to allocate \$3 billion annually in climate finance toward helping vulnerable countries adapt to rising sea levels, droughts and other related problems. The funds would be part of the \$11.4 billion that Biden has already pledged to climate finance each year by 2024. [Bloomberg](#)
- The Covid-19 pandemic has boosted retirements among baby boomers, further straining the tight labor supply and leaving a hole for employers to fill. Older workers who could least afford to retire early—those with lower incomes and less education—have been more likely to leave the workforce during the pandemic, researchers have found. https://www.wsj.com/articles/covid-19-pushed-many-americans-to-retire-the-economy-needs-them-back-11635691340?mkt_tok=ODUwLVRBQS01MTEAAAGAelau_Czz50pRrt71CuMo6yTvNDaKXFKIfQOdONHQFiX2rC-50FPJ0p5NNPnSKtSvBkmSzKsIqFN_0bv_pCo3yuebUHTIXXkKig4LUe_kA1aA
- In an interview with The Washington Post, Treasury Secretary Yellen criticized Republicans for refusing to help raise the debt ceiling, but said Democrats should be able to do so without the GOP's support, despite some Democratic objections in Congress. Yellen said the "worst possible outcome" would be a game of "chicken" in which Congress doesn't end up raising the debt ceiling. [The Washington Post](#)
- Treasury Secretary Yellen believes Fed Chair Powell has taken "significant action" in the wake of revelations over the personal investments of U.S. central-bank policy makers. "He's certainly responded and put in place a far more strict set of requirements," she said in an interview Sunday. https://www.bloomberg.com/news/articles/2021-11-01/yellen-praises-powell-s-response-to-fed-trading-controversy?srd=premium&mkt_tok=ODUwLVRBQS01MTEAAAGAelau_Exh-9y3ArkTAnr33sux-Y7ILdBHa6EQ5BaPGUUBtLMfTmzR1LZIZUzcg0PULyrCUXzXQX9IHwtS7QMIGlqpPFCvSr_8dzwCZdx0ecuJ

FROM NEW YORK

- Sen. Gillibrand (D-NY) long has called on Congress to provide paid family and medical leave to the millions of Americans who don't have it. So when she found out last week the plan had been dropped from her party's landmark spending bill, she began an 11th-hour campaign to try to resurrect it. https://www.washingtonpost.com/us-policy/2021/10/30/manchin-paid-leave/?mkt_tok=ODUwLVRBQS01MTEAAAGAelau_JLiJ_f1dTMcu5iAJGnGQ_YMnklIVOJU09iuIBDtsWcvqZpdJnkoAhwxc-rKuW9zFsT20vgQVfkc3DCpDgQ8f7xH72BpepRiyOe80B
- New York City is facing a moment of truth today when city employees not vaccinated against Covid-19 will be barred from work and placed on unpaid leave. Vaccination rates jumped significantly over the weekend, but thousands of first responders are still expected to be off the job: Firefighters were at a 75% vaccination rate as of Sunday night, Sanitation workers at 82%, NYPD at 84%, and EMS at 87%. The total city workforce has reached a rate of 90%. <https://www.politico.com/newsletters/new-york-playbook/2021/11/01/the-vaccine-mandate-reckoning-494922?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317>
- The FDNY [took a number of fire companies out of service](#) on Saturday as firefighters [called in sick](#) in apparent protest. "Irresponsible bogus sick leave by some of our members is creating a danger for New Yorkers and their fellow firefighters," FDNY commissioner Daniel Nigro said. Meanwhile, a group [of on duty firefighters were suspended](#) for threatening a state senator with an

FDNY fire truck in tow. Garbage has been piling up around the city as it goes uncollected by disgruntled sanitation workers.

- New York City municipal workers have rushed to get COVID-19 vaccinations in recent days, raising the group's overall coverage to 91% through Saturday evening, but progress has stalled among key groups like first responders and sanitation workers, [Gothamist reports](#).
- More than 24,000 New York City workers could stay home today when Mayor Bill de Blasio's COVID-19 vaccine mandate goes into effect, raising concerns about the impact on emergency response times in the five boroughs, [the New York Post reports](#).
- There are a lot of important races to watch across the state in this year's general election on Tuesday. But 2021's mostly local contests could seem like small potatoes compared to what's coming next year: races for governor and state attorney general, redistricted legislative contests, and control of the House of Representatives possibly hinging on New York voters, to name a few. [Here are some ways](#) that this year's elections could serve as a preview to next year's races.
- Letitia James' entry into the governor race completely changes the dynamics of the Democratic primary, sets up multiple constituency battles within the party, impacts other potential candidates, and gives her a chance to make history, [Newsday reports](#).
- Attorney General Letitia James, a [newly minted candidate](#) for governor, has had a steady rise up New York's political calendar and she's broken barriers along the way. As an historic race for governor is getting underway [with two women seeking](#) the party's nomination, NY1's Bobby Cuza reviewed James's ascent in public life. [Read more here](#).
- [She took on Cuomo, Trump and the NRA — now Tish James wants to be governor](#): New York Attorney General Tish James announced Friday she will run for governor in 2022, putting an end to months of speculation about her political ambitions and opening the floodgates for what could be the most contested Democratic primary for governor in a decade. <https://www.politico.com/newsletters/new-york-playbook/2021/11/01/the-vaccine-mandate-reckoning-494922?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nid=630317>
- James' official entrance made way for some [early downstate endorsements](#). [State of Politics reports](#).
- [Some cities lack COVID-19 vaccination plans](#) for municipal workers and do not have a mandate.
- For nearly a year now, a small team of officials from New York City Hall and the public health department have pored over detailed reports about how vaccine misinformation has spread through New York City, [Mara Gay writes for the Times](#).
- Enrollment in New York City's (and the nation's largest) school system has dropped roughly 1.9% this school year, according to preliminary figures released Friday by the education department. Roughly 938,000 students are enrolled in New York City's public schools, down from about 955,000 last school year, when the system saw a significant decline related to the coronavirus pandemic. <https://www.politico.com/newsletters/new-york-playbook/2021/11/01/the-vaccine-mandate-reckoning-494922?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nid=630317>

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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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