

Tuesday, November 16, 2021
To: New York Community Banks

FROM ICBA

ICBA urging grassroots pushback against SBA direct lending plan

ICBA is calling on community bankers to [continue the campaign](#) opposing proposed changes to the SBA 7(a) loan program contained in the House budget-reconciliation bill.

Grassroots: Community bankers can use ICBA's [Be Heard grassroots action center](#) to urge Congress to oppose a plan that would authorize the SBA to issue direct 7(a) loans, which would harm small businesses and taxpayers.

Letter: In a [letter](#) last week to House and Senate leaders, ICBA said:

- The proposal may not comply with the Byrd Rule because its budgetary effects are incidental to the nonbudgetary components of the provision, so it should not be considered under reconciliation procedures.
- The SBA canceled a previous direct lending experiment because the subsidy rate was 10 to 15 times higher than that for loan guaranty programs.
- With the PPP ending successfully, the SBA has already guaranteed a record \$30.1 billion in 7(a) lending in fiscal 2021.

More: ICBA has spoken out against the proposal in a [news release](#), previous [letter](#) to committee leaders, and [testimony](#) before the House Small Business Committee.

[CONTACT CONGRESS](#)

Republican senators denounce postal banking pilot

A group of 19 Senate Republicans led by Sen. John Boozman (Ark.) denounced an ICBA-opposed U.S. Postal Service pilot program to test postal banking.

Letter: In a [joint letter](#), the lawmakers said the pilot program:

- Exceeds the Postal Service's legal authority.
- Fails to comply with relevant regulations.
- Diverts resources away from the core USPS function of mail delivery.
- Advances the misguided USPS expansion into government banking.

Pilot: The USPS quietly launched the pilot in September to offer check cashing, bill paying, ATM access, and expanded money orders and wire transfers in Washington, D.C.; Falls Church, Va.; Baltimore; and the Bronx, New York.

Results: The American Prospect [reported](#) last week that no one has used the service at the Bronx location, with the Cato Institute [saying](#) the pilot does not address why unbanked individuals choose not to have a bank account.

ICBA Position: ICBA—which has spoken out against the pilot via [NBC News](#), [The Washington Post](#), and the [Washington Examiner](#)—strongly opposes postal banking. A three-part series of [ICBA issue briefs](#) explores the policy's flaws and offers alternatives for reaching the unbanked.

FDIC supporting inclusion through community banks: McWilliams

The FDIC is working to expand financial inclusion by helping reduce community bank costs of adopting innovative products and services, FDIC Chairman Jelena McWilliams said.

Remarks: McWilliams [cited](#) the FDIC's updates to its brokered deposit rules and request for input on third-party due diligence standards. She also pointed to the agency's collaboration with minority depository institutions and community development financial institutions.

#GetBanked: McWilliams also said the FDIC is working to raise awareness of the importance of having a bank account through its [#GetBanked initiative](#), which provides consumer information and resources.

ICBA Directory: Meanwhile, ICBA offers a [directory](#) of community banks that can open accounts remotely with a starting balance of \$25 or less. Community banks can add their bank to the directory by [completing an online form](#).

House committee Republicans issue CBDC principles

House Financial Services Committee Republicans [released](#) principles to guide Congress in evaluating potential proposals for a U.S. central bank digital currency.

Details: The principles say any U.S. CBDC should:

- Maintain the dollar as the world’s reserve currency.
- Maintain the preeminence of the U.S. payment system.
- Not impede stablecoin development.
- Support digital currency policies that promote private-sector innovation.
- Ensure privacy and security protections.

Next: With policymakers debating CBDC and digital asset oversight, committee Democrats continue developing their own policy views of CBDC while the Federal Reserve works on a U.S. CBDC paper.

Stablecoins: Also Monday, the Financial Stability Oversight Council [met](#) to discuss, among other things, a President’s Working Group report on stablecoins, which recommended bank-like rules for stablecoin issuers. [ICBA recently said](#) it supports the group’s efforts to support a consistent federal regulatory framework.

More: Recent ICBA blog posts detail where nations stack up in [developing CBDCs](#), [growing stablecoin risks](#) to consumers and the financial system, [how policymakers are responding](#), and what decentralized finance [means for community banks](#).

IRS issues November Child Tax Credit payments

The Treasury Department [said](#) families with roughly 61 million eligible children received more than \$15 billion in the fifth batch of Advance Child Tax Credit payments, most via direct deposit.

Background: Eligible families receive up to \$300 per month for each child under age 6 and up to \$250 per month for each child age 6 to 17. Treasury and the IRS have delivered roughly \$77 billion in payments since July.

Resources: Additional information is available on ICBA’s [frequently asked questions](#) on the CTC payments and via the [IRS website](#).

Blog: Community bank PPP lending targeted those most in need

Community bank Paycheck Protection Program lending was instrumental to the industries and communities most in need of emergency assistance, according to a [new ICBA blog post](#).

Details: In the [new post](#), ICBA economist Noah Yosif breaks down data detailing how community banks prioritized at-risk workers and industries while meeting the needs of underserved communities.

Series: The final installment of a three-part series on PPP data follows previous posts on how community banks:

- [Drove lending in the PPP’s earliest weeks.](#)
- [Led the financial services industry’s response.](#)

Video details inflation implications

Inflation continues to be the key story of the economy, with high prices affecting consumer and business confidence as well as the policy outlook, according to the latest weekly video from ICBA Securities and Vining Sparks. [Watch here.](#)

FROM OTHER SOURCES

IBANYS received the following information from the Small Business Administration:

SBA has issued Procedural Notice 5000-821479 “Issuance of Updated SBA Form 159 and Revised Procedures in SOP 50 10 6 for Submission of the Form.” A copy of the notice is attached. **The update SBA Form 159 is located within SBA’s “For Partners” website, click here: [Form 159](#)**

The purpose of this Notice is to announce the issuance of a revised SBA Form 159, Fee Disclosure and Compensation Agreement and to revise the procedures set forth in SOP 50 10 6 for submission of the completed form and supporting documentation by SBA Lenders. SBA uses this form to identify Agents and the fees and/or compensation paid to Agents by or on behalf of a small business applicant (“Applicant”) for the purpose of obtaining or expediting an application for a loan guaranteed by the U.S. Small Business Administration (SBA). SBA Form 159 allows SBA to collect information about Agents, the services they provide, compensation rendered, and who paid the compensation. SBA also uses this form to monitor fees charged by Agents and the relationship between Agents and Lenders.

For new applications, SBA Lenders are required to use the revised SBA Form 159 immediately; however, for applications already in process, SBA Lenders may continue to use the previously approved version.

Please review the notice for the complete policy, including the requirement to report on the form using SBA’s Capital Access Financial System website.

Valerie Shoudy, Lender Relations Specialist
Valerie.Shoudy@sba.gov

Grace Conners, Lender Relations Specialist
Grace.Conners@sba.gov

U.S. Small Business Administration
224 Harrison St., Suite 506 | Syracuse, NY 13202



U.S. Small Business
Administration

- The Biden administration is expected to begin the process of expanding COVID booster authorization to all adults as early as this week, a source familiar with internal planning [tells](#) Axios' Caitlin Owens. America's booster campaign got off to an underwhelming start, potentially leaving millions of vulnerable people at risk as the holidays approach. Only 36% of Americans 65+ have received a booster shot, [according to the CDC](#). The pandemic still isn't over, and the data is clear that [vaccine effectiveness](#) has waned over time and with the rise of Delta — but also that a booster dose [restores protection](#) against the virus to remarkable levels.
- Some cities and states — including [New York City + California](#), Colorado, New Mexico, [West Virginia](#) and [Arkansas](#) — have gotten ahead of the FDA and made boosters available to all adults. [Share this story](#).
- Pfizer has agreed to a licensing deal with the U.N.'s Medicines Patent Pool for its COVID-19 pill — roughly a month after [Merck said](#) it licensed its COVID pill with the MPP, [Bob writes](#). The antiviral pills showed promising results in reducing the severity of infection and preventing death among the unvaccinated. Pfizer's licensing agreement, combined with Merck's, will allow generic drug companies to cheaply produce the pills for more than 100 low- and middle-income countries. Pfizer's agreement will cover 95 countries. Merck's agreement covered 105. While antivirals are considered to be a major tool to end the pandemic, [vaccines](#) remain the most effective way to prevent serious illness and death.
- Senate Banking Chairman Sherrod Brown (D-OH) said a pick for the Federal Reserve chair from the White House is "imminent," but declined to speculate on the choice. Brian Deese, the

National Economic Council director, was reportedly the only White House aide present during President Biden's meetings with current Fed Chairman Powell and Fed Governor Brainard to discuss the job. Treasury Secretary (and former Fed Chair) Yellen reportedly recommended Powell, but said Brainard is a credible choice as well. [Bloomberg](#)

- House Speaker Pelosi reportedly told fellow Democrats the House will not recess for Thanksgiving without passing President Biden's social spending and climate measure, with plans to vote as soon as Thursday in the works. Democrats are awaiting a final fiscal analysis of the "Build Back Better" package, which the Congressional Budget Office has said to expect by the end of the week. [Politico](#)
- Senate Majority Leader Schumer's decision to take up the National Defense Authorization Act this week likely will push Senate consideration of President Biden's "Build Back Better" social spending plan into December. Progressive Democrats were already the House moderates' commitment to vote on the approximately \$1.75 trillion "BBB" was less than ironclad after the passage and signing of the \$1.2 trillion infrastructure bill. https://www.axios.com/biden-signs-infrastructure-bill-law-8c5a984c-8222-4f68-9b9c-f3a025ceb0a0.html?stream=politics&utm_source=alert&utm_medium=email&utm_campaign=alerts_politics
- Democrats set out to pay for their massive clean energy and social spending package with tax increases on the wealthy, but a parochial desire among lawmakers from high-tax states to provide relief from a \$10,000 cap on state and local tax (SALT) deductions has undermined that goal. https://www.rollcall.com/2021/11/16/democrats-salt-headache-hangs-over-budget-reconciliation-bill/?mkt_tok=ODUwLVRBQS01MTEAAAGAx9Z-syQy6P4bN4IKdisoh5li-8jZPPrCx_nrh6HWJwu67Us3-tDkwUTjn2yr-gcgBDLLVEKzMU-Yy2xIES3kaECxenCtHQKiv6T-f1NiByuo
- President Biden signed his \$1.2 trillion infrastructure deal into law, hailing it as an example of what bipartisanship can achieve, as he hopes to use the law to build back his popularity, [The Associated Press reports](#). The bill is a hard-fought victory for Biden's domestic agenda and is now the biggest public-works bill since former President Eisenhower created the interstate highway system in the 1950s. https://www.axios.com/biden-signs-infrastructure-bill-law-8c5a984c-8222-4f68-9b9c-f3a025ceb0a0.html?stream=politics&utm_source=alert&utm_medium=email&utm_campaign=alerts_politics
- Monday was "an unambiguous victory for the central promise of Biden's presidential campaign: to lower the temperature in Washington and find places of common ground." <https://www.politico.com/newsletters/west-wing-playbook/2021/11/15/biden-proves-the-haters-wrong-495106> . A bipartisan mix of Congress members, mayors, governors and workers sat in the audience on the White House lawn. Biden gave shoutouts to House Speaker Nancy Pelosi, Senate Minority Leader McConnell, Sens. Sinema (D-AZ) and Portman (R-OH), among others. https://www.axios.com/biden-signs-infrastructure-bill-law-8c5a984c-8222-4f68-9b9c-f3a025ceb0a0.html?stream=politics&utm_source=alert&utm_medium=email&utm_campaign=alerts_politics
- [What's inside the infrastructure bill](#)
- The Pentagon's top spokesperson today said Defense Secretary Lloyd Austin [has the authority to require National Guard members to get vaccinated](#) against Covid-19, despite new resistance from Oklahoma's highest-ranking military official.
- [A lottery could determine the fate of Biden's vaccine rule for 84 million workers](#)
- Why a Connecticut community bank is merging with a fintech. Patriot National Bancorp was exploring a digital pivot. American Challenger Development Corp. was seeking a bank charter in

its quest to become open an all-digital bank. They decided it was quicker to join forces. [Read More →](#)

FROM NEW YORK

- “I received the booster, and believe no one who feels they are at risk should be turned away from getting a COVID-19 booster shot. If you feel at risk, please get the booster,” the governor [said in a statement later Monday](#).
- With the trauma of COVID still freshly seared into their minds, New York City nurses are once again sounding the alarm that staffing shortages at local hospitals are jeopardizing the well-being of themselves and their patients, [the Daily News reports](#).
- Erie County Executive Mark Poloncarz said there would be “no questions asked” if time-eligible adults want to get a COVID-19 booster, no matter what federal guidelines suggest about who is and who is not yet eligible, [The Buffalo News reports](#).
- New York City Mayor de Blasio’s administration cleared the way for all adults in the city to receive a booster shot of the COVID-19 vaccine as cold weather threatens to bring a wave of new infections, [the Daily News reports](#).
- Polarization has only increased in the last decade, but one political organization is trying to change that. Upstate New York businessman Martin Babinec has tried to take some of the heat out of the political arena in recent years. He's founded the group Unite NY, meant to support independent candidates who offer compromise and consensus. [Read More](#)
- Activists are planning protests and rallies across the state Tuesday as they push Hochul to support tenant-friendly measures including good cause eviction and the repeal of a real estate tax break known as 421-a, [the Daily News reports](#).
- After President Biden [signed his massive infrastructure package](#) into law, New Yorkers will feel at least one immediate dollars and cents consequence: the MTA [will put off fare hikes](#), and is nixing subway service cuts that had been threatened for 2023 and 2024.
- **Federal infrastructure \$\$\$** means big things for the Empire State.
- Lt. Gov. Brian Benjamin has been quietly amassing a group of influential big-money donors as he prepares for a potential primary battle for his seat and held a fundraiser on Nov. 9 at the home of longtime New York businessman Dennis Mehiel, [CNBC reports](#).
- Fordham Law professor Zephyr Teachout made her bid for state attorney general official yesterday, and rumors are swirling about former Gov. Andrew Cuomo jumping in as well. With Letitia James running for governor, here’s the latest on who is [eyeing her seat](#). Daniel Goldman, a trial attorney who served as majority counsel for Democrats in the first impeachment inquiry against former President Donald Trump, is now eyeing a run for New York attorney general, [the Times Union reports](#). Fordham Law professor Zephyr Teachout made her bid for state attorney general official yesterday, and rumors are swirling about former Gov. Cuomo jumping in as well. With Letitia James running for governor, here’s the latest on who is [eyeing her seat](#).
- Endorsements are already rolling in for New York governor. Who do Albany Mayor Kathy Sheehan and Rep. Brian Higgins support? Keep apprised of the latest developments with [our endorsement tracker](#).

- Gov. Kathy Hochul and state Attorney General Letitia James are piling up **endorsements in the 2022 race for governor** while **Public Advocate Jumaane Williams gets ready** to announce his own campaign.
- With Eric Adams' win as New York City mayor in this year's general election, Brooklyn's influence over New York City politics grew and it could grow further if a candidate from the borough is elected governor, [the Times writes](#).
- Western New York Rep. Brian Higgins on Monday became the latest Democrat to back Gov. Kathy Hochul's bid for a full term in 2022 ahead of what's expected to be a crowded party primary in June. [Read More](#)
- Recently re-elected Westchester County Executive (and former State Senator) George Latimer isn't running for governor, but would listen on the possibility of running for Lt. Gov. if asked. Lattimer [talked with City & State](#) about how he got reelected in the suburbs and how Democrats can change their messaging.
- The state Department of Health has improved transparency and pandemic data sharing under her new administration, Gov. Kathy Hochul on Monday said after testimony by a former state health official described difficult working conditions under then-Gov. Cuomo. [Read More](#)

####

IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

- **John J. Witkowski, President & CEO (Johnw@ibanys.net; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Stever@ibanys.net)**