

Thursday, November 4, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA to Congress: Extend data security standards to nonbanks

ICBA [called on Congress](#) to extend Gramm-Leach-Bliley Act data security standards to retailers, technology companies, and other parties that process or store consumer financial data.

**Testimony:** Appearing at a House Financial Services subcommittee [hearing](#), Bank of Idaho President and CEO Jeff Newgard said extending the banking industry's strict security standards to all participants in the payments system will help prevent security breaches.

**More:** Newgard, who chairs ICBA's Cyber and Data Security Committee, also called on policymakers to:

- Harmonize regulatory standards.
- Ensure supervision of core processors and other third-party providers.
- Enhance credit reporting agency oversight.
- Institute a national data security breach and notification standard.
- Require the costs of data breaches to be borne by the party that incurs the breach.

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### ICBA joining webinar on bank-like credit unions

ICBA Chairman Robert Fisher will participate in a [National Taxpayers Union webinar](#) scheduled for next week on the "rise of bank-like credit unions."

**Details:** Scheduled for 1 p.m. (Eastern time) Wednesday, Nov. 10, the webinar will feature two panel discussions on credit union taxation and regulation, mission creep, acquisitions of community banks, and other concerns. [Register here.](#)

### Hsu: OCC has concluded fintech charter review

The OCC has concluded its review of bank charter applications and crypto-related interpretative letters and will be communicating its findings in the coming weeks, Acting Comptroller of the Currency Michael Hsu said.

**Crypto Sprint:** In [remarks](#) to the American Fintech Council, Hsu said the OCC has also concluded a "crypto sprint" with the FDIC and Federal Reserve. The agencies will communicate the results "shortly," he said.

**Regulatory Perimeter:** Hsu said the results of these efforts will align with a "vision" he laid out in the speech, in which he targeted "synthetic banking providers" that offer banking services outside the "regulatory perimeter" and called for agencies to coordinate and modernize their regulatory response.

**Background:** Hsu initiated the charter review shortly after he was named acting comptroller in May amid concerns with the agency's special-purpose bank charter for fintech firms. At the time, he told Congress there are benefits of providing charters to fintech firms but he has concerns about allowing nonbanks into the banking system without sufficient oversight.

**ICBA Position:** ICBA has repeatedly said the OCC does not have authority to charter special-purpose national banks that don't take deposits and has [called on Congress](#) to intervene.

### OCC planning climate guidelines for large banks

Acting Comptroller of the Currency Michael Hsu said the OCC plans to propose climate risk management supervisory expectations for large banks by the end of the year.

**Climate Pledge:** Hsu [released the comment](#) while endorsing a statement by the Network for Greening the Financial System group of international banking regulators pledging support for the global response to climate change.

**Fed Response:** In a [separate statement](#), the Federal Reserve said it will continue working with other domestic and international groups as well as the private sector to address climate-related risks.

**ICBA Position:** ICBA recently [released a position paper](#) on the potential impact of new climate change regulations on community banks. It says:

- Community banks are experts at monitoring risk and do not need more regulation to manage potential climate risks.
- ICBA will oppose any climate risk regulation that adversely affects community banks.

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### **Blog: PPP data show community bank lending urgency**

A new [ICBA blog post](#) details data showing the urgency of community banks' Paycheck Protection Program response. **Details:** In the first in a series of blog posts on final PPP data, ICBA economist Noah Yosif says: Community banks drove lending in the earliest weeks of the PPP. States with strong community bank traditions were more successful in addressing employment challenges. [Read the post.](#)

### **ICBA continues reconciliation grassroots push**

Community bankers can continue using ICBA's [Be Heard resource center](#) to speak out against numerous tax increases included in the budget reconciliation bill's draft framework.

**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 here.](#)

### **ICBA, state groups seek 1071 comment extension**

ICBA and a coalition of state banking associations asked the Consumer Financial Protection Bureau to extend the comment deadline on its proposal to implement Dodd-Frank Section 1071 data collection and

reporting requirements for small-business lending. **Request:** In a [joint letter](#), the groups requested a 45-day comment extension, citing the proposal's size, complexity, and potential impact on community banks and small businesses. **Summary:** ICBA offers [a summary](#) of the proposed rule covering key definitions, collection and reporting standards, how the data will be maintained and published, and more. **Background:** Section 1071 requires financial institutions to collect and report certain data on credit applications from women-owned, minority-owned, and small businesses, including the race, sex, and ethnicity of the principal owners. **Narrow Exemption:** In a [national news release](#), ICBA said it strongly supports a robust community bank exemption, but the proposal's exemption for those that originate fewer than 25 loans per year is far too narrow.

**Fed to start reducing asset purchases this month.** The Federal Open Market Committee [voted](#) to begin slowing the Federal Reserve's pace of monthly asset purchases this month. **Reductions:** The Fed said it will cut its monthly net asset purchases by \$10 billion for Treasury securities and \$5 billion for agency mortgage-backed securities for November and December, with similar monthly reductions likely to continue. **Outlook:** That brings the Fed's monthly asset purchases to: **November:** \$70 billion in Treasury securities and \$35 billion in mortgage-backed securities. **December: \$60 billion in Treasury securities and \$30 billion in agency MBS.**

### **Private sector adds 571K jobs in October**

**Employment:** The private sector added 571,000 jobs in October, according to [ADP](#). Small businesses added 115,000 jobs while mid-sized and large businesses added 114,000 and 342,000, respectively.

**Services:** The Institute for Supply Management's index of economic activity in the services sector [increased](#) 4.8 percentage points to another all-time high of 66.7%.

**Factory Orders:** New orders for U.S.-made manufactured goods [rose](#) 0.2% in September, with businesses rebuilding inventories amid labor and materials shortages.

### **FROM OTHER SOURCES**

- According to CNN's Jim Acosta, the United States has surpassed 750,000 deaths from the coronavirus, according to the latest data from Johns Hopkins University, which also noted that the US has the most cases and deaths of any nation globally. <https://twitter.com/acosta/status/1456091778411544578?s=11>
- New COVID infections fell by about 20% nationwide over the past two weeks, though parts of the West and Midwest are seeing their caseloads tick higher, Axios' Sam Baker and Will Chase [report](#). . . [Share this map](#).
- President Biden reportedly will announce today that certain employers must ensure their workers are fully vaccinated or tested weekly by Jan. 4, 2022, or face federal fines starting at nearly \$14,000 per violation. The Department of Labor's Occupational Safety and Health Administration (OSHA) will enforce the COVID-19 Vaccination and Testing Emergency Temporary Standard, which affects about two-thirds of all U.S. workers. Employers with 100 or more workers must implement a mandatory vaccination program and/or mandate weekly testing and masks for those who refuse the vaccine. Two doses of either Pfizer or the Moderna shots or one dose of Johnson & Johnson's vaccine will be acceptable. [https://www.axios.com/covid-vaccine-mandate-private-sector-biden-osha-eea6e85d-fefe-4e4b-8cc0-0564c764bdf4.html?stream=top&utm\\_source=alert&utm\\_medium=email&utm\\_campaign=alerts\\_all](https://www.axios.com/covid-vaccine-mandate-private-sector-biden-osha-eea6e85d-fefe-4e4b-8cc0-0564c764bdf4.html?stream=top&utm_source=alert&utm_medium=email&utm_campaign=alerts_all)
- An estimated 40% of U.S. health systems have instituted COVID-19 vaccine mandates, and though [many are reporting high compliance](#), the requirements are exacerbating workforce shortages and threatening operations in others. As a federal deadline requiring health care workers to get vaccinated approaches, some officials warn it could hurt health care delivery at small and rural hospitals.

- Regions of the country where there is more vaccine hesitancy may struggle with losing more workers. Some service lines may be forced to close or limit access, Cochran-McClain said. For example, [an upstate New York hospital shut down its maternity ward](#) after six workers opted to quit rather than be vaccinated. One expert noted: "It's really important for us that folks understand . . . we are very pro-vaccine," she said. "The challenge is, we're applying this to communities that are already facing severe workforce shortages." Related: [Vaccine deadlines have arrived for millions of workers](#).
- With a loss in the state's gubernatorial race — along with a slim win for the Democratic incumbent in New Jersey — party lawmakers found themselves anxious, exasperated and newly ready to try to advance two spending initiatives that have been bogged down in Congress for months. [https://www.washingtonpost.com/us-policy/2021/11/03/democrats-virginia-biden-spending-infrastructure/?mkt\\_tok=ODUwLVRBQS01MTEAAAGAAidD7UJb\\_4pShmqPtf2MK14qH46Y\\_StSN4OqC8EwvNhLWsygZ8KTQO4W3nPF15PQAmcEBEdidAFSLVYbXvvnvILnU7Ps4F1TnZ0-y8ZyfwHRn](https://www.washingtonpost.com/us-policy/2021/11/03/democrats-virginia-biden-spending-infrastructure/?mkt_tok=ODUwLVRBQS01MTEAAAGAAidD7UJb_4pShmqPtf2MK14qH46Y_StSN4OqC8EwvNhLWsygZ8KTQO4W3nPF15PQAmcEBEdidAFSLVYbXvvnvILnU7Ps4F1TnZ0-y8ZyfwHRn)
- House Democrats are reviving changes to individual retirement accounts containing millions of dollars as lawmakers look to finalize the taxes on the wealthy to finance President Joe Biden's agenda. The changes included in a draft of the House bill released Wednesday place limits on the tax-advantaged accounts and gives the Internal Revenue Service more oversight over them. [https://www.bloomberg.com/news/articles/2021-11-03/mega-ira-tax-changes-resurface-in-draft-of-u-s-house-bill?mkt\\_tok=ODUwLVRBQS01MTEAAAGAAidD7UJgi8\\_oIqQf46TbWam1tSjBNKCY3JpUU0lj2RzHbjONNL3ZiTJ4Ru22yrExlZQ9qQ2P3DP6EC6qdKgDP4oaOi791tnm25VS2mak0COL0](https://www.bloomberg.com/news/articles/2021-11-03/mega-ira-tax-changes-resurface-in-draft-of-u-s-house-bill?mkt_tok=ODUwLVRBQS01MTEAAAGAAidD7UJgi8_oIqQf46TbWam1tSjBNKCY3JpUU0lj2RzHbjONNL3ZiTJ4Ru22yrExlZQ9qQ2P3DP6EC6qdKgDP4oaOi791tnm25VS2mak0COL0)
- The revised House bill would lift the current \$10,000 cap on "SALT" deductions that's in place through 2025 to \$72,500 retroactive to the start of this year, and extend that through 2031. [https://www.rollcall.com/2021/11/03/dueling-salt-fixes-in-play-as-democrats-try-to-close-budget-deal/?mkt\\_tok=ODUwLVRBQS01MTEAAAGAAidD7UAYISxGtrwjMocqRFCOudTfxZW5E2Q563Hc7HCuOnwsCOipNInKrKM5f\\_zy3eR733zTdqwkNu9BHBfnM50gW6vmmt00f8S1JuDqkRw5Y](https://www.rollcall.com/2021/11/03/dueling-salt-fixes-in-play-as-democrats-try-to-close-budget-deal/?mkt_tok=ODUwLVRBQS01MTEAAAGAAidD7UAYISxGtrwjMocqRFCOudTfxZW5E2Q563Hc7HCuOnwsCOipNInKrKM5f_zy3eR733zTdqwkNu9BHBfnM50gW6vmmt00f8S1JuDqkRw5Y)
- House Speaker Pelosi (D-Calif.) reportedly said that four weeks of paid family and medical leave will be added to the House version of President Biden's economic spending package as she tries for a vote today. In a letter to colleagues, Pelosi said she only wants a vote on a bill that could pass the Senate, but pushed for the paid leave plank that had been taken out of the agreement because of opposition from Sen. Manchin (D-W.Va.). [CNN](#)
- Worker filings for unemployment benefits likely extended their downward march last week as they began to approach levels last seen before the Covid-19 pandemic, economists say. Economists surveyed by The Wall Street Journal estimate that the Labor Department will report Thursday that initial jobless claims, a proxy for layoffs, decreased to 275,000 during the week ended Oct. 30 from 281,000 in the previous week. [https://www.wsj.com/articles/weekly-jobless-claims-11-04-2021-11635991198?mkt\\_tok=ODUwLVRBQS01MTEAAAGAAidD7UNe6N60JbuqHEebnLhuv8pyvG\\_oJw9iCmhmHMOTT\\_e1RHATjwhU\\_nJufWnEsIQJlyPywfk9jCLEc4HfFwrc7RcfwDYcG4GAqCSHZEnMKb](https://www.wsj.com/articles/weekly-jobless-claims-11-04-2021-11635991198?mkt_tok=ODUwLVRBQS01MTEAAAGAAidD7UNe6N60JbuqHEebnLhuv8pyvG_oJw9iCmhmHMOTT_e1RHATjwhU_nJufWnEsIQJlyPywfk9jCLEc4HfFwrc7RcfwDYcG4GAqCSHZEnMKb)
- Self-employed entrepreneurs are back to pre-coronavirus levels in the U.S., a report from the Pew Research Center found, but their businesses are creating fewer jobs than they used to. The number of self-employed workers has rebounded to 14.9 million in the second quarter, after falling to 12.7 million a year earlier, according to Pew. [https://www.bloomberg.com/news/articles/2021-11-03/ranks-of-u-s-self-employed-return-to-pre-pandemic-levels?mkt\\_tok=ODUwLVRBQS01MTEAAAGAAidD7UOMj0zIL498cTWD06T-q4FS0e7myKg3FObYJJ2ziYLOkVAR\\_2Db8Oce25MZrCtC5rUp702LSkPo\\_k3kiOdw2j\\_2fFja-HrpGTGjHNKdj](https://www.bloomberg.com/news/articles/2021-11-03/ranks-of-u-s-self-employed-return-to-pre-pandemic-levels?mkt_tok=ODUwLVRBQS01MTEAAAGAAidD7UOMj0zIL498cTWD06T-q4FS0e7myKg3FObYJJ2ziYLOkVAR_2Db8Oce25MZrCtC5rUp702LSkPo_k3kiOdw2j_2fFja-HrpGTGjHNKdj)

- Morning Consult's [November U.S. Economic Outlook report](#) takes a look at how getting more adults back to work is crucial for future economic activity. Get all of the insights in the report, including: The effect of supply chain disruptions and rising prices on consumers' spending habits; The impact rising wages and record-high job openings is having on employment trends; The state of consumers' personal finances. . .Morning Consult invites you to "[Check out our report](#)" to get all of the insights you'll need to know as we slowly move towards economic recovery.
- Digital upstarts like Square, Stripe and PayPal are invading community banks' turf by appealing to local merchants with a mix of electronic payments and lending. Small banks are fighting back by leaning into digital services while maintaining their personal touch. [Read story →](#)
- New Jersey Gov. Phil Murphy eked out a victory over Republican Jack Ciattarelli, holding a lead of less than 1 percentage point when the race was called last night, making history as the state's first Democratic governor to win re-election in 44 years. Ciattarelli has not conceded as the state continues to count votes. [Politico](#)

### FROM NEW YORK

- Governor Hochul provided an update on the state's coronavirus (COVID-19) status. As of November 2, 2021, there were **1,908** New Yorkers hospitalized with COVID-19. Our 7-day percentage positivity average was **2.22%**, which is **up** from **2.11%** last week. Per the CDC as of November 3, 2021, **87.8%** of adult New Yorkers have at least one vaccine dose. So far, **27,392,352** total vaccine doses have been administered, and **77,583** doses were administered over the past 24 hours.
- Children ages 5 to 11 can get vaccinated against COVID-19 in the city starting Thursday, Mayor de Blasio said on the heels of federal health authorities giving the final all-clear for the pediatric shots. All city-run vaccine sites will be able to administer the shots to youngsters, and a vaccination drive for the 5-11 age group will begin at public schools across the five boroughs next week, de Blasio said in his daily briefing Wednesday.” [NYC kids ages 5-11 can get vaccinated against COVID starting Thursday](#)
- New York state health officials like Dr. Emily Lutterloh see the misinformation spread on social media about the COVID-19 vaccine. And it makes them concerned it's led many to remain hesitant in getting their shot. [Read More](#)
- The Office of Cannabis Management adopted regulations designed to set stricter standards for New York's exploding hemp market, requiring all hemp-derived cannabinoid products to meet state manufacturing, laboratory, packaging and labeling guidelines, [the Times Union reports.](#)
- Governor Kathy Hochul today announced more new administration nominations and recommendations. <https://www.governor.ny.gov/news/governor-hochul-announces-administration-nominations-and-recommendations>
- New York Democrats of varying ideological stripes were dealt one stunning blow after the next on election night. While Eric Adams easily won the race for New York City mayor, Republicans made significant inroads across a state perceived by much of the country to be a liberal stronghold, [The New York Times reports.](#)

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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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