

Monday, November 8, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA continues IRS push in congressional roundtable

ICBA continued pushing back against the IRS reporting proposal during testimony at a House Financial Services Committee Republican roundtable. **Roundtable:** Wm. Jack Riddle, president of Community Bank Delaware in Lewes, told the [committee](#) that ICBA continues working to ensure the IRS plan is not added back to the reconciliation package after it was recently left out of the framework guiding Democratic discussions. **Ongoing Efforts:** [Reuters reported](#) last week that Treasury and Sens. Tom Carper (D-Del.), Angus King (I-Maine), and Mark Warner (D-Va.) are pressing to include the IRS reporting plan in the Senate's version of the spending bill—illustrating its continued threat. **IRS Grassroots:** Community bankers can continue [calling their members of Congress](#) and [rallying consumers](#) in opposition to the proposal, which remains a threat even though policymakers [left it out](#) of the draft budget reconciliation framework. **Tax Hikes:** Meanwhile, ICBA continues encouraging community bankers to use its [Be Heard resource center](#) to speak out against numerous tax increases included in the budget reconciliation bill's draft framework.

### Blog: Community bank PPP response topped larger lenders

Small Business Administration data show that community banks led the financial services industry in Paycheck Protection Program loans responding to the COVID-19 pandemic, according to a [new ICBA blog post](#). **Details:** In the new post, ICBA economist Noah Yosif [breaks down data](#) detailing how:

- Community banks assumed an outsized role in originating PPP loans.
- Community banking growth stemmed largely from PPP loan originations.

**Recent:** Released as part of a three-part series on final PPP data, a [previous post](#) from Yosif shows how community banks drove lending in the earliest weeks of the program.

### ICBA-backed updates included in cyber reporting bill

Lawmakers reached an agreement on bipartisan cyber incident reporting legislation that includes ICBA-advocated updates to avoid excessive burdens on community banks. **Background:** Based on the Cyber Incident Reporting Act (S. 2875), [the amendment](#) to the fiscal 2022 National Defense Authorization Act would:

- Establish a cyber incident response office at the Cybersecurity and Infrastructure Security Agency.
- Require critical infrastructure, including financial institutions, to report cyber incidents within 72 hours.

**ICBA-Backed Changes:** As ICBA advocated in a [letter to lawmakers](#) last month, the legislation:

- Directs CISA to rapidly share information on cyber threats.
- Requires reporting of “substantial” cyber incidents, not potential or minor incidents.
- Requires CISA to harmonize regulations to avoid duplicative reporting requirements.
- Directs CISA to account for the size and complexity of cyber incidents in imposing penalties.
- Includes liability protections.
- Requires CISA to include trade associations in its rulemaking outreach.

**What's Next:** The amendment will be considered by the House and Senate conference committee, which is meeting to resolve differences between each chamber's versions of the NDAA. Once a final compromise is agreed to, the legislation will be voted on for final passage.

### Webinar this week on credit union mission creep

ICBA Chairman Robert Fisher will participate in a [National Taxpayers Union webinar](#) this week on the “rise of bank-like credit unions.” **Details:** Scheduled for 1 p.m. (Eastern time) this 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.](#)

### **FBI warns of crypto-QR scam**

The [FBI warned](#) of fraudulent schemes using cryptocurrency ATMs and QR codes to facilitate payment.

**Details:** The FBI said the scheme involves scammers directing victims to withdraw money and providing a QR code associated with the scammer's cryptocurrency wallet.

**More Resources:** ICBA's website [offers more information](#) on resources to help community banks bolster cyber and data security, including Sheltered Harbor to add a layer of protection against malware, .BANK to secure customer relationships, and more.

### **Consumer credit rises 5.6% in Q3**

Consumer credit increased at a seasonally adjusted annual rate of 5.6% during the third quarter on an 8.3% gain in September, the Federal Reserve [reported](#).

**Quarter:** For the quarter, revolving credit, which includes credit card spending, increased at an annual rate of 7.4%. Non-revolving credit, such as auto and student loans, rose 5.1%.

**Month:** For September, revolving credit rose 11.8% while non-revolving credit increased 7.2%.

### **Economy adds 531K jobs in October**

Nonfarm payroll employment rose by 531,000 in October, the Labor Department [reported](#). The unemployment rate edged down by 0.2 percentage point to 4.6%.

## **FROM OTHER SOURCES**

- U.S. Surgeon General Murthy said the Biden administration is "prepared to defend" the new COVID-19 vaccine rules for companies with 100 employees or more after a three-judge panel in New Orleans temporarily blocked the mandate from taking effect. [The New York Times](#). On the government side, tens of thousands of employees have requested vaccine exemptions on religious grounds ahead of today's deadline, though large shares of public workers have said they are vaccinated. [The Washington Post](#)
- The U.S. lifted restrictions Monday on travel from a long list of countries including Mexico, Canada and most of Europe, allowing tourists to make long-delayed trips and family members to reconnect with loved ones after more than a year and a half apart because of the pandemic. [https://apnews.com/article/coronavirus-pandemic-business-lifestyle-health-canada-75b91e1770dc99c3a9d682129e2e006c?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnrYoFyQteS Vv-KBSxva3UdJuZcwixy50XQTR0VH241Z-sOaLxCAq4ifUjDbvN7B4WATBxLU5DK6n9841Wb6r4Ede9Ha5vRm6LiCpO6pezAQU](https://apnews.com/article/coronavirus-pandemic-business-lifestyle-health-canada-75b91e1770dc99c3a9d682129e2e006c?mkt_tok=ODUwLVRBQS01MTEAAAGAnrYoFyQteS Vv-KBSxva3UdJuZcwixy50XQTR0VH241Z-sOaLxCAq4ifUjDbvN7B4WATBxLU5DK6n9841Wb6r4Ede9Ha5vRm6LiCpO6pezAQU)
- President Biden has more than economics on his mind as he weighs his choice to lead the Federal Reserve: His pick will impact inflation, face the cruel judgment of financial markets and somehow need to find 50 votes in deeply divided Washington. [https://www.axios.com/bidens-fed-calculus-a166431d-b4da-4c47-aa5e-93837b9b77a0.html?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnrYoF9hG\\_rALeJxnvNe6Dbr-884UmIKR\\_j4Nw2w5guxtSLlocm\\_rVvwz0WJuPDRP1NISDAzWo0y0aNBblu75sub-rlIeTtxrE-D5piBF22EjC](https://www.axios.com/bidens-fed-calculus-a166431d-b4da-4c47-aa5e-93837b9b77a0.html?mkt_tok=ODUwLVRBQS01MTEAAAGAnrYoF9hG_rALeJxnvNe6Dbr-884UmIKR_j4Nw2w5guxtSLlocm_rVvwz0WJuPDRP1NISDAzWo0y0aNBblu75sub-rlIeTtxrE-D5piBF22EjC)
- Randal Quarles, who oversaw an easing of post-financial crisis rules as the Federal Reserve's vice chair of supervision, announced he will resign at the end of this year. His departure will leave President Biden with another open seat to fill on the central bank's board. He will remain on the board through the Fed's next policy meeting in December, and will also finish out his term leading the Financial Stability Board. [Read More →](#); <https://www.washingtonpost.com/business/2021/11/08/quarles-fed-resigns/>
- In an interview with The Wall Street Journal, Office of the Comptroller of the Currency nominee Saule Omarova said one of her priorities will be making sure banks aren't "socializing" their

losses on taxpayers, referring to the bank bailouts of the financial crisis, adding that she wants to "protect the American taxpayer, basically, from holding the bag." Omarova, who could have a confirmation hearing as soon as this month, faces opposition from Republicans and the banking industry due to some of her past positions, though she said there has been a "misunderstanding" and that she's a "huge supporter of community banks that channel credit to American families and businesses in their communities." [The Wall Street Journal](#)

- Rep. Josh Gottheimer (D-N.J.) said during a CNN interview that expanding the state and local tax deduction cap, as the House has done in President Joe Biden's economic spending plan, would amount to a tax cut for middle-class families in his district. Increasing the SALT cap to \$80,000 from a \$10,000 limit has received pushback from Sens. Bernie Sanders (I-Vt.) and Bob Menendez (D-N.J.), who want to limit the tax break for those earning less than about \$400,000. [Bloomberg](#)
- President Biden has said for months that his infrastructure bill, which the House passed Friday, and his "Build Back Better" deal, which has new momentum, will boost the economy for years to come. Economists largely agree that the bills would probably strengthen prosperity and job growth over time, even if there is less certainty about what the measures would add to U.S. debt and what they would mean for the economy in the short term. [https://www.washingtonpost.com/business/2021/11/07/biden-infrastructure-build-back-better-analysis/?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnpwkcymWJglBkpCnkRt9aZiMAs8PVhgY0xNCdpgqDuXik6Qyv3qe-KFpWrJPDoU\\_JosC0iDVYaGgu4y4mGLhCE\\_-4Z8WRGxfCZ\\_A-CowB\\_gu](https://www.washingtonpost.com/business/2021/11/07/biden-infrastructure-build-back-better-analysis/?mkt_tok=ODUwLVRBQS01MTEAAAGAnpwkcymWJglBkpCnkRt9aZiMAs8PVhgY0xNCdpgqDuXik6Qyv3qe-KFpWrJPDoU_JosC0iDVYaGgu4y4mGLhCE_-4Z8WRGxfCZ_A-CowB_gu)
- With a roughly \$1.2 trillion bill to improve the nation's infrastructure now behind them, Democrats must prepare to turn to their next, perhaps tougher task: Shepherding the rest of President Biden's economic agenda through Congress. The successful vote in the House late Friday marked only the first of two spending initiatives that Biden has called on Congress to adopt for months. [https://www.washingtonpost.com/us-policy/2021/11/06/congress-biden-spending-deal/?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnpwkc66rROpKLdGFI5t5scia7cisavn63wbTHo0xOYQm84SuEwrUtHcwDjKGSgXK6blJgF8yoH6Pfs8e9\\_nEFW51ePuU22BK3CPwU8Q-EOVg](https://www.washingtonpost.com/us-policy/2021/11/06/congress-biden-spending-deal/?mkt_tok=ODUwLVRBQS01MTEAAAGAnpwkc66rROpKLdGFI5t5scia7cisavn63wbTHo0xOYQm84SuEwrUtHcwDjKGSgXK6blJgF8yoH6Pfs8e9_nEFW51ePuU22BK3CPwU8Q-EOVg)
- When the House returns from a week of committee-only action during the recess, they'll take up the Democrats' climate and social safety net bill that Speaker Pelosi was forced to postpone Friday when a handful of centrists withheld support until the Congressional Budget Office can produce a full cost estimate. [2,000 Pages and Pronto! Budget Scorekeepers Are Under Pressure](#). . [How a \\$1 Trillion Infrastructure Bill Survived an Intraparty Brawl](#).
- Americans are, by many measures, in a better financial position than they have been in many years. They also believe the economy is in terrible shape. The reasons seem to be tied to the psychology of inflation and the ways people assess their economic well-being. [https://www.nytimes.com/2021/11/06/upshot/inflation-psychology-economy.html?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnpwkc6lHO7qnN6sHkXtFOvMoVU\\_FsbdZ8qBkDcnctDOPxN4CEIun7VAitAPa0hB1n4BkAksNKeWdVWwnu8NP4\\_SzeaSMQeKuJLCFDobCor5w](https://www.nytimes.com/2021/11/06/upshot/inflation-psychology-economy.html?mkt_tok=ODUwLVRBQS01MTEAAAGAnpwkc6lHO7qnN6sHkXtFOvMoVU_FsbdZ8qBkDcnctDOPxN4CEIun7VAitAPa0hB1n4BkAksNKeWdVWwnu8NP4_SzeaSMQeKuJLCFDobCor5w)
- The global economy's comeback from last year's deep contraction is approaching a delicate juncture, as policy makers and executives grapple with the bumpy transition from the post-pandemic reopening to a more normalized pace of growth. Central banks in the U.S. and elsewhere are trying to chart a path that will curb inflation but not choke off growth as they navigate the process of weaning economies off the extraordinary measures—including rock-bottom interest rates and enormous bond-buying programs—deployed to support their economies. <https://www.wsj.com/articles/the-economic-rebound-from-covid-19-was-easy-now-comes-the-hard-part->

[11636299941?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnpwkcp1tS8LRhlnA3eFsx8zC999YKcWFqJ145LhkPDUre5MpH4YUsUkGx2ZF1vnR\\_9rcWusCJ43mQgNiaL7r09NTKmmag2pkbB Mp1r23Dmy](https://www.bloombergenvironment.com/news/articles/2021-11-05/biden-says-u-s-economic-recovery-is-faster-than-expected?mkt_tok=ODUwLVRBQS01MTEAAAGAnpwkcp1tS8LRhlnA3eFsx8zC999YKcWFqJ145LhkPDUre5MpH4YUsUkGx2ZF1vnR_9rcWusCJ43mQgNiaL7r09NTKmmag2pkbB Mp1r23Dmy)

- President Biden said the U.S. economy is recovering from the pandemic faster and stronger than expected, after a report showing the labor market got back on track last month with broad-based payroll gains. "America is getting back to work; our economy is starting to work for more Americans," Biden said. [https://www.bloombergenvironment.com/news/articles/2021-11-05/biden-says-u-s-economic-recovery-is-faster-than-expected?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnpwkcp1tS8LRhlnA3eFsx8zC999YKcWFqJ145LhkPDUre5MpH4YUsUkGx2ZF1vnR\\_9rcWusCJ43mQgNiaL7r09NTKmmag2pkbB Mp1r23Dmy](https://www.bloombergenvironment.com/news/articles/2021-11-05/biden-says-u-s-economic-recovery-is-faster-than-expected?mkt_tok=ODUwLVRBQS01MTEAAAGAnpwkcp1tS8LRhlnA3eFsx8zC999YKcWFqJ145LhkPDUre5MpH4YUsUkGx2ZF1vnR_9rcWusCJ43mQgNiaL7r09NTKmmag2pkbB Mp1r23Dmy)
- Former FDA chief Gottlieb: "We're close to the end of the pandemic." [Axios](#)
- New COVID pill shows the need for widescale testing. [Axios](#)
- The broken U.S. data systems that struggled during the pandemic can be fixed. [Los Angeles Times](#)

### FROM NEW YORK

- New York's overall COVID-19 spread has remained steady over the past month, with the percent of people testing positive remaining roughly between 2 and 3%. . .but it's New York City's five boroughs that are keeping the state's overall numbers low. A handful of upstate rural counties are experiencing infection rates that are in some cases eight times what is being experienced in places like the Bronx and Queens. The counties with the highest percentages of tests coming back positive are among the counties with the lowest vaccination rates in New York. <https://webcache.googleusercontent.com/search?q=cache:YqvTUDbfml0J:https://www.timesunion.com/news/article/Ahead-of-holidays-COVID-19-increasing-in-New-16599457.php+&cd=1&hl=en&ct=clnk&gl=us>
- Private sector employers across the country and here in New York who have 100 employees or more must require that their employees either be vaccinated or tested weekly for COVID-19 by Jan. 4, according to new federal regulations. [Read More](#)
- Republican Bruce Blakeman, who has declared victory over incumbent Laura Curran in the Nassau County executive's race, said last week he will not impose COVID-19 vaccine mandates on police and other county workers, [Newsday reports](#).
- Congress passed a landmark bipartisan infrastructure bill late Friday that will bring billions of dollars to the New York City region, funding projects like elevator upgrades to the subway system and upgrades to Amtrak for the long-stalled Gateway Project to build tunnels under the Hudson River. The infrastructure bill adds \$550 billion to existing transportation spending for a total of \$1.2 trillion, and now heads to President Biden who is expected to quickly sign the legislation.
- Senate Majority Leader Schumer detailed how the infrastructure bill will impact New York State. <https://www.wkbw.com/news/state-news/sen-schumer-details-how-the-infrastructure-bill-will-impact-new-york-state>
- [Western New York Rep. Brian Higgins](#) is already touting the benefits the \$1 trillion infrastructure bill will have for the Buffalo area.
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- In the vote on the infrastructure legislation, two New York House Democrats — Reps. Alexandria Ocasio-Cortez and Jamaal Bowman — were among six Democrats nationally to [vote against the bill](#), while four New York Republicans were among 13 GOP representatives nationally to support the measure. Staten Island GOP Rep. Nicole Malliotakis, who voted yes, [told Axios](#): "I voted against AOC and the squad tonight." The legislation [includes a compromise](#) to partially lift the so-called SALT tax deduction cap.
- [The U.S. land border with Canada is set to reopen](#) Monday for fully vaccinated Canadians to come to the U.S. for non-essential travel.
- As the second-most powerful woman in Gov. Kathy Hochul's administration, Karen Persichilli Keogh hopes to [help the governor create a new era of transparency](#) and fill in any gaps the previous administration left behind. How she became Secretary to the Governor: <https://www.cityandstateny.com/personality/2021/11/how-karen-persichilli-keogh-became-secretary-governor/186680/>
- State Attorney General and Democratic gubernatorial hopeful Letitia James was in full 2022 campaign mode during the five-day SOMOS political conference, appealing to a key group of New York voters: the Latino community, [the New York Post reports](#).
- Democratic losses across Long Island and beyond could make waves in Albany as lawmakers prepare for the upcoming legislative session and mull the direction of the party, [the Daily News reports](#).
- New York City Mayor-elect Eric Adams (D) on Sunday said he is "going to look at" potentially encouraging businesses to accept cryptocurrency as a form of payment. He made headlines last week when he said he will take his first three payments in elected office in bitcoin. Asked if he will consider pushing businesses to implement cryptocurrency payments, Adams said "We're going to tread carefully," adding "we're going to get it right." [https://thehill.com/homenews/sunday-talk-shows/580463-incoming-nyc-mayor-on-businesses-accepting-bitcoin-were-going-to?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnpwkc50NVuYBo\\_rS3K4LbCiFNWfcSpZmwxmgZAFrAJ54DsX2kd5TJSX-jkKv3UPRcfAUw\\_IovM2camdrVIO6OXIKciWFeAj3F8yxG7Cfxxj2](https://thehill.com/homenews/sunday-talk-shows/580463-incoming-nyc-mayor-on-businesses-accepting-bitcoin-were-going-to?mkt_tok=ODUwLVRBQS01MTEAAAGAnpwkc50NVuYBo_rS3K4LbCiFNWfcSpZmwxmgZAFrAJ54DsX2kd5TJSX-jkKv3UPRcfAUw_IovM2camdrVIO6OXIKciWFeAj3F8yxG7Cfxxj2)
- New York Mayor-elect Adams also said schools should teach about cryptocurrency and its technology, as he vows to build a crypto-friendly city when he takes office in January. "When I talked about blockchain and Bitcoins, young people on street stopped and asked me, 'What is that?'" Adams said on CNN's "State of the Union" on Sunday. [https://www.bloomberg.com/news/articles/2021-11-07/nyc-mayor-elect-adams-says-crypto-should-be-taught-in-schools?mkt\\_tok=ODUwLVRBQS01MTEAAAGAnpwkc3VftAMKjJiaoEgrqW5lDSm\\_zqlu8-b0PtudFUaltxrdJldwaMFU4ulTo4QhUZwwsirwb\\_vlNhjm6OxsIh2ORd8DaSrTu9xSIA-44tm](https://www.bloomberg.com/news/articles/2021-11-07/nyc-mayor-elect-adams-says-crypto-should-be-taught-in-schools?mkt_tok=ODUwLVRBQS01MTEAAAGAnpwkc3VftAMKjJiaoEgrqW5lDSm_zqlu8-b0PtudFUaltxrdJldwaMFU4ulTo4QhUZwwsirwb_vlNhjm6OxsIh2ORd8DaSrTu9xSIA-44tm)
- New York's 25th Congressional District has been in its current iteration since 2013. The district is located entirely within Monroe County, including the city of Rochester and surrounding suburbs. It has only been represented by a Democrat since the last redistricting. [Read More](#)
- A judge delayed former Gov. Cuomo's arraignment on sex crime charges following a request from the Albany County District Attorney, who wrote to the judge that the "inexplicably filed" criminal charge was "potentially defective" and at "risk of a procedural dismissal." The

arraignment, which was to occur Nov. 17, is now due to occur in January.

<https://www.politico.com/states/new-york/albany/story/2021/11/05/district-attorney-says-cuomo-criminal-complaint-potentially-defective-1392346?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=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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