

Wednesday, December 1, 2021  
To: New York Community Banks

## FROM ICBA

### ICBA urging comment letters on 1071 proposal

ICBA is calling on community bankers to [submit personalized comments](#) on the Consumer Financial Protection Bureau's proposal to implement Dodd-Frank Section 1071 collection and reporting requirements.

**Submitting Comments:** ICBA offers a [comprehensive guide](#) to help community bankers develop, format, and submit comments. Because the CFPB does not consider form letters, community bankers should submit letters unique to their bank and community.

**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.

**ICBA Position:** ICBA has strongly advocated a robust community bank exemption to the reporting requirements and said the proposal's exemption for those that originate fewer than 25 loans per year is far too narrow.

**Deadline:** While ICBA and other organizations have advocated an extension, community bankers currently have until Thursday, Jan. 6, to [use the ICBA guide to submit comment letters](#).

### Treasury's Yellen tells Congress she still wants IRS reporting plan

Treasury Secretary Janet Yellen told Congress she continues to support the widely opposed IRS bank reporting proposal.

**Hearing:** [Testifying](#) before the Senate Banking Committee, Yellen said policymakers have narrowed the proposal—which remains in play even after ICBA and community bankers worked to keep it out of the House-passed reconciliation bill.

**Report:** The hearing followed an [American Banker](#) report (subscription required) that Senate Democrats are working to include a narrowed IRS reporting plan in their version of the reconciliation bill, with ICBA's Paul Merski noting the plan is "fundamentally flawed" no matter how it is tweaked.

**Grassroots:** With the IRS reporting plan still alive in Washington, ICBA is encouraging community bankers to continue weighing in on the reconciliation debate with ICBA grassroots resources:

- [Opposing SBA 7\(a\) direct lending.](#)
- [Urging Congress to oppose the IRS reporting plan.](#)
- [Rallying consumers against IRS bank reporting.](#)

### McWilliams: FDIC exploring deposit insurance for stablecoins

The FDIC is exploring whether stablecoins should be covered by deposit insurance, FDIC Chairman Jelena McWilliams said.

**Remarks:** Responding to reporter questions at the agency's Quarterly Banking Profile [news conference](#), McWilliams cited interagency efforts on regulating digital assets and said FDIC staff are working through how deposit insurance would apply to different stablecoin arrangements.

**Debate:** Policymakers are debating how to regulate stablecoins and other digital assets. A President's Working Group [report](#) recommended requiring stablecoin issuers to be insured depository institutions, while Federal Reserve Governor Christopher Waller has [expressed](#) skepticism about imposing the full banking rulebook on stablecoin platforms.

**ICBA Position:** ICBA said in a [comment letter](#) earlier this year that a coordinated regulatory approach to digital assets could help address risks, dispel confusion in the marketplace, and prompt more community banks to explore digital asset products and services to address customer needs.

**Next Steps:** Federal banking regulators last week [said](#) they plan to provide greater regulatory clarity on crypto-related activities next year, while the OCC issued an [interpretive letter](#) with guidance on stablecoins and other digital assets.

### **Judge blocks government contractor vaccine mandate in certain states**

A federal judge issued an injunction blocking implementation in several states of the Biden administration's COVID-19 vaccine mandate for federal government contractors.

**Legal Challenges:** The injunction—which applies to Kentucky, Ohio, and Tennessee—is the latest legal hurdle for administration vaccine mandates that apply to contractors, health-care workers, and larger employers.

**Summary:** ICBA recently [published a summary](#) of the mandate for employers with 100 or more employees, which remains on hold due to a federal court's administrative stay of enforcement.

**Resources:** The summary and additional resources are available on ICBA's [Pandemic Response webpage](#).

### **FHFA raises conforming loan limits for 2022**

The Federal Housing Finance Agency [increased](#) the maximum conforming loan limits for mortgages acquired by Fannie Mae and Freddie Mac in 2022.

**National Baseline:** The limit for one-unit properties in most parts of the country will rise to \$647,200, an increase of \$98,950 from \$548,250 in 2021.

**High-Cost Areas:** The maximum loan limit will be \$970,800 in areas in which 115 percent of the local median home value exceeds the baseline loan limit.

## **FROM OTHER SOURCES**

- Laboratories across the U.S. are on the lookout for the new COVID-19 variant Omicron, which officials have said will almost inevitably be detected here, as scientists race to understand if the variant [could be a game-changer](#) in the pandemic. CDC director Rochelle Walensky told reporters during a briefing on Tuesday the U.S. has a "robust" surveillance system, pointing to U.S. international travel policies that require pre-departure testing both for the unvaccinated and vaccinated and noting "We do have the mechanisms in place we need to find it should and when it occurs." [https://www.axios.com/newsletters/axios-vitals-a1d0c202-82b5-4a13-82d4-cfa989342c4d.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axios\\_vitals&stream=top](https://www.axios.com/newsletters/axios-vitals-a1d0c202-82b5-4a13-82d4-cfa989342c4d.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axios_vitals&stream=top)
- An FDA advisory panel endorsed an antiviral pill developed by Merck and Ridgeback Biotherapeutics to treat adults at high risk of becoming severely ill from COVID-19, despite concerns over its effectiveness and safety. Oral antiviral drugs designed to prevent or treat COVID-19 could be [key pandemic-fighting tools](#), if proven effective, especially as new variants emerge. If authorized, the Merck drug, known as molnupiravir, would be the first treatment of its kind to be made available in the U.S. Pfizer has also asked the FDA for emergency authorization of its similar antiviral pill called Paxlovid.
- The Biden administration is reportedly considering former CFPB Director Richard Cordray for the top banking regulator position at the Fed. He is currently COO of Federal Student Aid at the Education Department, overseeing the \$1.6 trillion student-loan program. If chosen, he would succeed Randal Quarles as the Fed's Vice Chair of Supervision. Cordray is a close ally of both

Senate Banking Chairman Sherrod Brown (D-OH) and Sen. Elizabeth Warren (D\_MA).  
<https://www.cnbc.com/2021/11/30/elizabeth-warren-ally-richard-cordray-under-discussion-for-fed-bank-supervisor.html>; [The Wall Street Journal](#);

- Fed Chair Powell told a Senate Banking Committee hearing that it is "appropriate" to consider finishing the taper of asset purchases a few months sooner than planned, given that "the economy is very strong and inflationary pressures are high." Since the Fed announced it would slow its purchase of government debt and mortgage-backed securities, and stop them completely by June, prices have continued to rise, with the Fed's preferred inflation gauge climbing 5% in October compared to the year-ago period. [Politico](#)

#### FROM NEW YORK

- New York's vaccination campaign stalled during the summer and fall months in upstate communities that have seen a massive November surge in coronavirus cases, [the New York Post reports](#).
- Thirty-seven hospitals in New York state are facing a capacity crunch as of late last week amid a rise in COVID-19 cases, according to data from the state Department of Health. The hospitals at strained capacity are primarily concentrated in upstate and western New York counties where COVID positive cases have been spiking over the last several weeks, while two New York City hospitals were on the state's list. <https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2021/11/30/doh--37-new-york-state-hospitals-are-at-10--capacity>
- Governor Hochul called on New York business owners to once again require their customers to wear masks inside. The governor is not mandating or requiring it at this time but called it an effective way to fight back against a winter spike in cases. <https://cbs6albany.com/news/local/gov-hochul-asks-business-owners-to-require-masks-indoors>
- Approximately 9% of towns (84) and villages (46) across New York State have opted out of the zoning portion of recreational marijuana legalization, which is expected to be a significant tax generator in a matter of years. Businesses will not be able to open if they sell or allow patrons to consume marijuana in those communities. <https://www.fingerlakes1.com/2021/11/28/around-9-of-towns-villages-have-opted-out-of-recreational-marijuana-law-in-new-york/>

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**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](mailto:Johnw@ibanys.net); 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations ([Stever@ibanys.net](mailto:Stever@ibanys.net))**