

Wednesday, December 15, 2021  
To New York Community Banks:

## FROM ICBA

### Senate, House continue pushback on SBA direct lending

ICBA's [grassroots campaign](#) against efforts to authorize SBA direct lending under its 7(a) loan program got a boost Tuesday in the Senate and House.

**Senate Bill:** Sen. Tim Scott (R-S.C.) introduced the Senate version of [ICBA-advocated](#) legislation to bar SBA direct lending, which responds to an ICBA-opposed provision of the reconciliation bill that would authorize SBA direct 7(a) loans.

**House Letter:** House Small Business Committee Ranking Member Blaine Luetkemeyer (R-Mo.), who [introduced](#) the House version of the bill last month, separately [asked](#) the SBA's inspector general to answer questions on the agency's previous performance as a direct lender.

**Additional Activity:** Luetkemeyer and House Financial Services Subcommittee on Housing Ranking Member French Hill (R-Ark.) previously [urged](#) the SBA to halt its direct lending efforts, which ICBA has repeatedly spoken out against since the provision was introduced in September.

**Grassroots:** Community bankers can use ICBA's [Be Heard](#) grassroots action center to urge Congress to oppose the SBA direct lending plan.

### [CONTACT CONGRESS](#)

### 1071 campaign now open to small-biz customers

ICBA is calling on community bankers to enlist their small-business customers in the industry's [comment letter campaign](#) on the Consumer Financial Protection Bureau's 1071 data collection and reporting requirements.

**Background:** Dodd-Frank Section 1071 requires financial institutions to collect and report data on credit applications from certain small businesses, which would restrict access to credit, raise borrower privacy concerns, and require costly new third-party relationships.

**Submitting Comments:** Because the CFPB does not consider form letters, ICBA offers comprehensive guides on its [1071 resource center](#) to help community bankers and small-business customers develop and submit personalized comments advocating needed reforms.

**Resource Center:** Comprehensive resources—including a summary of the proposal, guides, comment portals for community bankers and small-business customers, and a recording of ICBA's briefing on the campaign—are available on [ICBA's 1071 resource center](#).

### No changes to FDIC DIF restoration plan

FDIC staff [recommended](#) no changes to the agency's Deposit Insurance Fund restoration plan, which the agency implemented last year after the DIF reserve ratio dropped below 1.35% due to the influx of deposits caused by the pandemic response.

**Background:** The plan to restore the DIF to the statutory minimum within eight years requires staff to monitor factors that affect the reserve ratio and to update the board at least semiannually.

**Outlook:** In a [statement](#), FDIC Chairman Jelena McWilliams said that while the outlook is uncertain, insured deposit growth has normalized as economic activity improved and pandemic-related fiscal payments have largely ended.

## FROM OTHER SOURCES

- According to Johns Hopkins University, the U.S. death toll from COVID-19 topped 800,000 on Tuesday. Health experts lament that many of the deaths in the U.S. (more than 200,000) were

preventable by way of the vaccine, which became widely available practically for the asking last spring. [https://apnews.com/article/coronavirus-pandemic-health-united-states-41fd85092ef5571515afbb923b8a06ef?user\\_email=&utm\\_source=Sailthru&utm\\_medium=email&utm\\_campaign=MorningWire\\_Dec15&utm\\_term=Morning%20Wire%20Subscribers](https://apnews.com/article/coronavirus-pandemic-health-united-states-41fd85092ef5571515afbb923b8a06ef?user_email=&utm_source=Sailthru&utm_medium=email&utm_campaign=MorningWire_Dec15&utm_term=Morning%20Wire%20Subscribers)

- Top federal health officials warned Tuesday that the omicron variant is rapidly spreading in the United States and could peak in a massive wave of infections as soon as January, according to new modeling analyzed by the CDC. The prevalence of omicron jumped sevenfold in a single week. At that pace, the variant could increase pressure on a health system [already strained](#) in many places as the delta variant continues its own surge. Officials stress [early data](#) shows individuals who are fully vaccinated and received a booster shot remain largely protected against severe illness and death from omicron, but are concerned how many have not been “boosted”. [Over 55 million people](#) in the U.S. have been out of 200 million who are fully vaccinated. [https://www.washingtonpost.com/health/2021/12/14/omicron-us-spread/?mkt\\_tok=ODUwLVRBQSO1MTEAAAGBXUQEa4cudiLNPY9kfx7ljgTwtK5Hs\\_tipZ2l1c3qsXRqrNK9Hiez1HSTwnDDIcjT8Meck\\_IgfKez\\_UMiWEIAzrM1f0wdi-K\\_NNOLLRtAr1Bo](https://www.washingtonpost.com/health/2021/12/14/omicron-us-spread/?mkt_tok=ODUwLVRBQSO1MTEAAAGBXUQEa4cudiLNPY9kfx7ljgTwtK5Hs_tipZ2l1c3qsXRqrNK9Hiez1HSTwnDDIcjT8Meck_IgfKez_UMiWEIAzrM1f0wdi-K_NNOLLRtAr1Bo)
- Health officials are stressing the importance of coronavirus vaccine booster shots as the Omicron variant spreads, but millions of Americans aren't yet eligible for another dose, [Axios' Caitlin Owens writes](#). Two doses of Pfizer and Moderna's vaccines — or one of J&J — aren't very protective against Omicron infection, [according to preliminary data](#), although they likely work much better [against severe disease](#). However, experts warn changing the timing of a third dose isn't a decision to be made lightly, noting the main point is to allow [affinity maturation](#) and quality improvements in the immune response, which requires a finite amount of time. [https://www.axios.com/newsletters/axios-vitals-7ef3ea8a-fd55-424a-b642-9e42f29f08e4.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-7ef3ea8a-fd55-424a-b642-9e42f29f08e4.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- HHS Secretary Xavier Becerra hinted Tuesday the Biden administration may need to ask Congress for more money to fight the coronavirus pandemic, depending on the scope and severity of a potential new wave of infections fueled by the Omicron variant. [https://www.nytimes.com/2021/12/14/us/politics/omicron-federal-funds.html?mkt\\_tok=ODUwLVRBQSO1MTEAAAGBXUQEa4cudiLNPY9kfx7ljgTwtK5Hs\\_tipZ2l1c3qsXRqrNK9Hiez1HSTwnDDIcjT8Meck\\_IgfKez\\_UMiWEIAzrM1f0wdi-K\\_NNOLLRtAr1Bo](https://www.nytimes.com/2021/12/14/us/politics/omicron-federal-funds.html?mkt_tok=ODUwLVRBQSO1MTEAAAGBXUQEa4cudiLNPY9kfx7ljgTwtK5Hs_tipZ2l1c3qsXRqrNK9Hiez1HSTwnDDIcjT8Meck_IgfKez_UMiWEIAzrM1f0wdi-K_NNOLLRtAr1Bo)
- Omicron is triggering a “rather different” set of symptoms compared to previous variants. Lower back pain and “scratchy” throat emerge as symptoms. <https://www.telegraph.co.uk/global-health/science-and-disease/lower-back-pain-scratchy-throat-emerge-symptoms-omicron/>

## FROM NEW YORK

- The count of COVID hospitalizations in New York has climbed by 70% since Thanksgiving, Gov. Hochul said Tuesday, as a cold-weather virus wave crushes the western and northern reaches of the state. (Cornell University [shut down its campus](#) due to rising Covid-19 cases and moved its finals online. The case rate has surged by 58% since the holiday. Hochul called the development “an alarming jump.” Case counts climbed throughout November, but indoor Thanksgiving gatherings appear to have exacerbated an already worsening period of the pandemic. The explosion of cases has been driven by the dominant delta variant, but community spread of the omicron strain has added another level of concern. <https://www.nydailynews.com/coronavirus/ny-covid-hochul-hospitalizations-up-70-percent-since-thanksgiving-20211214-zx5nssftdfdy7jgefnton2lqli-story.html>
- Nearly two years into the Covid-19 pandemic, we're beginning to get enough data to evaluate how well states handled the crisis. Each state shaped its own response differently, and you can see the results in [POLITICO's State Pandemic Scorecard](#). New York exceeded the national average

in its performance on health but lagged on the economy. It was slightly below the national average on social well-being and education.

- Under a proposed measure by Republican legislators, state agencies would not be able to renew emergency regulations without input from lawmakers in the Assembly and state Senate. The measure takes aim at the latest indoor mask requirement issued this month by Gov. Hochul's administration requiring mask wearing indoors unless the business or public gathering space requires proof of vaccination to enter.  
<https://nystateofpolitics.com/state-of-politics/new-york/ny-state-of-politics/2021/12/15/gop-lawmakers-want-to-weaken-emergency-regulatory-power>

**###**

**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))**