

Thursday, December 16, 2021  
To: New York Community Banks

## FROM ICBA

### Fed further slows asset purchases, projects rate hikes

The Federal Open Market Committee voted to further decelerate the Fed's monthly purchases of Treasury bonds and agency mortgage-backed securities.

**Asset Purchases:** The Fed agreed to [reduce purchases](#) by \$20 billion per month for Treasuries and \$10 billion for MBS, up from the respective pace of \$10 billion and \$5 billion announced last month. The change reflects labor market stability and growing inflation concerns.

**Economic Projections:** The Fed also updated its [economic projections](#). The central bank lowered its projected 2021 GDP growth to 5.5% and unemployment rate to 4.3% while raising its 2021 inflation projection to 5.3% ahead of an anticipated falloff to 2.6% next year.

**Interest Rates:** While the FOMC voted to hold target interest rates at near zero, it pointed to several coming rate increases. According to the agency's "dot plot," a majority of FOMC members anticipate the federal funds rate will trend between 0.75% and 1% in 2022, indicating up to three rate hikes next year.

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

Community bankers can enlist their small-business customers in ICBA'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](#).

### Builder confidence, retail sales edge up

**Builder Confidence:** Edged up in December despite inflation concerns and ongoing production bottlenecks, with the National Association of Home Builders index rising [one point](#) to 84.

**Retail Sales:** Increased [0.3%](#) in November from the previous month and were up 18.2% from a year ago, according to the Commerce Department.

**Business Inventories:** Rose [1.2%](#) in October and were up 7.8% from the previous year, Commerce reported.

## FROM OTHER SOURCES

- Coronavirus infections, hospitalizations and deaths are climbing across the U.S. ahead of a busy holiday week that will likely spread the virus more. The U.S. is averaging about 122,000 new cases per day, a 41% spike over the past two weeks, and roughly 1,300 Americans a day are dying from COVID. Last week, the CDC's [most recent update](#) showed a more than 15% jump in hospitalizations. The vaccination rate in the U.S. is barely moving: Nearly 40% of Americans aren't fully vaccinated, according to [CDC data](#). About 27% of fully vaccinated Americans, including 52% of fully vaccinated seniors, have gotten a booster dose. [Share this map.](#) [https://www.axios.com/newsletters/axios-vitals-7f8f3424-3e12-40af-bcf01044aff08034.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-7f8f3424-3e12-40af-bcf01044aff08034.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- Biden administration health officials are privately warning Covid-19 test makers and laboratories that demand for tests could double or even triple over the next two months as cases surge across

the country. CDC Director Walensky said Wednesday 36 states have reported Omicron cases. The Biden administration estimates the number of infections driven by the variant is doubling every two days. [https://www.politico.com/news/2021/12/15/omicron-covid-testing-524820?mkt\\_tok=ODUwLVRBQS01MTEAAAGBYmVbYbyk-8LL2bDsY0N64nHLGJbV4qROGct\\_oCdbxjCyKcf8bbDrnapyOOS\\_IITqOS41R\\_0i3rPtFehXAi\\_XMwxWgyUGR1JbgiEZV6FTkaH5](https://www.politico.com/news/2021/12/15/omicron-covid-testing-524820?mkt_tok=ODUwLVRBQS01MTEAAAGBYmVbYbyk-8LL2bDsY0N64nHLGJbV4qROGct_oCdbxjCyKcf8bbDrnapyOOS_IITqOS41R_0i3rPtFehXAi_XMwxWgyUGR1JbgiEZV6FTkaH5)

- Initial data shows those who received Covid-19 boosters are far better protected against Omicron than those with only their initial round of shots, but [CDC data](#) show more than 70 percent of adults have yet to receive a booster dose, meaning caseloads could increase well before most of the country is more fully protected. [https://www.politico.com/news/2021/12/15/omicron-covid-testing-524820?mkt\\_tok=ODUwLVRBQS01MTEAAAGBYmVbYbyk-8LL2bDsY0N64nHLGJbV4qROGct\\_oCdbxjCyKcf8bbDrnapyOOS\\_IITqOS41R\\_0i3rPtFehXAi\\_XMwxWgyUGR1JbgiEZV6FTkaH5](https://www.politico.com/news/2021/12/15/omicron-covid-testing-524820?mkt_tok=ODUwLVRBQS01MTEAAAGBYmVbYbyk-8LL2bDsY0N64nHLGJbV4qROGct_oCdbxjCyKcf8bbDrnapyOOS_IITqOS41R_0i3rPtFehXAi_XMwxWgyUGR1JbgiEZV6FTkaH5)
- Vaccine advisers to the CDC are meeting today to weigh possible limits on the use of the Johnson & Johnson vaccine because of continued blood clot issues, mostly in young and middle-aged women, according to clinicians familiar with the agenda. [https://www.washingtonpost.com/health/2021/12/15/johnson-and-johnson-vaccine-continued-blood-clots/?mkt\\_tok=ODUwLVRBQS01MTEAAAGBYmVbYQpQuvAddrOrIrPLuY4YtlyRGzbi\\_LywjDi6gbuT2SXIfKX7EVW9X98h4G8qeF-gEbdLiZmsuw-HFQOv1aVD6s-xNRQMtMPRkaXGjHMm](https://www.washingtonpost.com/health/2021/12/15/johnson-and-johnson-vaccine-continued-blood-clots/?mkt_tok=ODUwLVRBQS01MTEAAAGBYmVbYQpQuvAddrOrIrPLuY4YtlyRGzbi_LywjDi6gbuT2SXIfKX7EVW9X98h4G8qeF-gEbdLiZmsuw-HFQOv1aVD6s-xNRQMtMPRkaXGjHMm)
- Businesses, employers and universities are taking the data into their own hands and requiring coronavirus booster shots, *Axios' Caitlin Owens writes*. Booster requirements are steadily rolling out across the country, even though the federal definition of "fully vaccinated" hasn't yet changed from two shots of Moderna or Pfizer, or one dose of J&J. Americans are split over the definition of "fully vaccinated," according to Harris polling: 49% of adults said "fully vaccinated" means two shots of Pfizer or Moderna or one shot of J&J, while 51% said "fully vaccinated" now includes a booster. Nearly two-thirds of seniors feel that a booster is required to be fully vaccinated. [https://www.axios.com/newsletters/axios-vitals-7f8f3424-3e12-40af-bcf0-1044aff08034.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axios\\_vitals&stream=top](https://www.axios.com/newsletters/axios-vitals-7f8f3424-3e12-40af-bcf0-1044aff08034.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axios_vitals&stream=top)

#### FROM NEW YORK

- The CDC said the two states with the highest spread of the Omicron [COVID-19](#) variant are New York and New Jersey. The Omicron variant is detected in 3% of samples on average nationwide, but in New York and New Jersey, the Omicron rate is 13%, about four times the national average. New York City is also seeing a faster spread of the new Omicron variant, compared to the vast majority of the country, according to the just-released [CDC](#) findings. <https://newyork.cbslocal.com/2021/12/15/new-york-new-jersey-omicron-spread-covid-coronavirus/>
- New York City Mayor Bill de Blasio announced details surrounding the enforcement protocols of the city's vaccine mandate. Workers must show proof of full vaccination [within 45 days](#) of the Dec. 27 effective date.
- Long Island's seven-day positivity level for COVID-19 has surged past 7%, while Nassau and Suffolk counties reported nearly 2,400 new cases as part of what medical experts fear could be a major escalation of the virus in the coming weeks, [Newsday reports](#). Meanwhile, [Sullivan County has some of the highest](#) COVID-19 cases in the state, and the county recently opened vaccine clinics for kids ages 5 to 11.

####

**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))