

Friday, December 17, 2021
To New York Community Banks:

FROM ICBA

ICBA on American Banker podcast: New IRS reporting still a threat

ICBA continues its battle against the IRS bank reporting proposal, ICBA's Paul Merski says on a new American Banker podcast.

Podcast: Appearing on an [episode of Bankshot](#) that emphasizes the campaign is not over, Merski spotlights how ICBA and community bankers uncovered the proposal earlier this year and began alerting customers, which ignited widespread public opposition.

Ongoing Threat: Treasury Secretary Janet Yellen recently told Congress policymakers continue working to narrow the proposal, while several senators keep it in play, even after ICBA and community bankers successfully kept it out of the House-passed reconciliation bill.

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:

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

Complete 1071 grassroots resources available

ICBA offers comprehensive resources for its grassroots [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's [1071 resource center](#) offers a summary, guides, comment portals for community bankers and small-business customers, and more to support personalized comments advocating needed reforms.

OCC seeks feedback on climate principles for large banks

The OCC [requested feedback](#) on draft principles designed to help identify and manage climate-related financial risks at OCC-supervised institutions with more than \$100 billion in assets.

Details: The OCC said it will use feedback to inform any future guidance on climate-related financial risk. Comments are due by Feb. 14.

ICBA Position: While the proposed principles are targeted to larger banks, ICBA is concerned they could ultimately apply to community banks and will be providing comments.

FSOC Letter: ICBA recently [called on](#) the Financial Stability Oversight Council to ensure the community bank perspective is adequately represented in the development of any climate-related financial risk guidance.

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

Agencies adjust CRA asset thresholds

Federal regulators [announced](#) the annual adjustment to Community Reinvestment Act thresholds.

- Effective Jan. 1, the "small bank" or "small savings association" designation applies to institutions that as of Dec. 31 of either of the prior two calendar years had assets of less than \$1.384 billion.

- The “intermediate small bank” or “intermediate small savings association” designation applies to institutions with assets of at least \$346 million as of Dec. 31 of both of the prior two calendar years and less than \$1.384 billion as of Dec. 31 of either of the prior two calendar years.

Senate Republicans seek inflation-related relief for ag lenders

A group of Senate Republicans urged federal financial regulators to provide community banks and other lenders regulatory flexibility to work with agriculture clients affected by rising inflation. The [joint letter](#) also calls on regulators to monitor how inflation and related pressures are affecting the agriculture industry and the community financial institutions that serve it.

FROM OTHER SOURCES

- Wall Street banks and investment firms are retrenching from their push to get staff back to the office, with Citigroup Inc, Goldman Sachs Group Inc, Carlyle Group Inc, Blackstone and MetLife among the latest to adjust plans as the Omicron variant of the coronavirus spreads. The institutions are rethinking their plans to return to business-as-usual amid a spike in COVID-19 cases in New York and other financial hubs and growing concerns over the fast-spreading Omicron. https://www.reuters.com/business/citi-let-new-york-city-staff-work-home-through-holidays-source-2021-12-16/?mkt_tok=ODUwLVRBQS01MTEAAAGBZ3_gOOq9JaKjt6bt1JCXrryMD2Rp3IwmLQitawL1b-VPcWZAIgs57_7keJvwbSLRVbjmF4H6-b8HB9ES8yt_misVEQD7UrBNvxly80y8P8k
- Rising Covid-19 infection rates, inflationary pressures and labor shortages have slowed the economic recovery in the U.S. and Europe despite signs that supply problems were easing. Surveys of purchasing managers showed that in early December, U.S. business activity continued to expand but at the slowest pace in three months. https://www.wsj.com/articles/covid-19-surge-slows-european-recovery-but-supply-problems-ease-11639651970?mkt_tok=ODUwLVRBQS01MTEAAAGBZ3_gOCgWLpnIySZ_ISO_T2VRMOgSPYbAdk82mlfWPIGxd_ZWgV490jVI6Vjuwf3a12E0JyPCuXVwXOLMuNxISmduCqyMJSKfbAbTonZ6T2NC

FROM NEW YORK

- Gov. Hochul yesterday updated the state’s COVID-19 status: Test Results Reported – 277,956 (Total Positive – 18,276; Percent Positive – 6.58%; 7-Day Average Percent Positive – 5.11%); Patient Hospitalization – 3,765 (-19); Patients Newly Admitted – 526; Patients in ICU – 762 (+35); Patients in ICU with Intubation – 433 (+10); New deaths reported by healthcare facilities through HERDS – 53; Total vaccine doses administered – 31,971,609 (over past 24 hours: –237,596; over past 7 days – 1,067,323); Percent of all New Yorkers with at least one vaccine dose (CDC): 81.4%; Percent of all New Yorkers with completed vaccine series (CDC) – 70.7%. Each region’s 7-day average of cases per 100K was also reported. <https://empirereportnewyork.com/governor-hochul-updates-new-yorkers-on-states-progress-combating-covid-19-9/>
- With Covid cases, hospitalizations and deaths rising in New York State, a "frustrated" Gov. Hochul tried a new approach to get New Yorkers to get vaccinated and mask up: anger. Hochul slammed 'outliers' who won't wear masks in public places and businesses that 'won't help enforce' the new mandate, and said 1) The winter surge, which began post-Thanksgiving, will grow increasingly serious, warning: “We are in for a rough ride” 2) If the state’s numbers don’t get better, she would have to consider mandating that businesses permit only vaccinated patrons to enter their establishments, and 3) That the state is also considering changing the definition of “fully vaccinated” to only those who have received their initial vaccine series and a booster. https://buffalonews.com/news/local/as-frustration-mounts-hochul-urges-masks-and-vaccines-warns-of-rough-ride-with-covid/article_0db2ac46-5e92-11ec-b794-f3db49910a51.html#tracking-source=home-top-story-1

- New York City — America's original pandemic epicenter — is showing warning signs of yet another drastic surge, this time likely driven by the Omicron variant. Given how quickly the variant appears to spread, New York's experience is likely going to soon be replicated around the country. The citywide [case rate is spiking](#), particularly in Staten Island and Manhattan. Two-thirds of Staten Island residents and 78% of Manhattanites are fully vaccinated. Restaurants [are shutting down](#), colleges have [axed events](#) and several [Broadway shows](#) have been canceled. "Omicron is here in NYC and spreading quickly. We're seeing a surge of #COVID19 cases ahead of the holidays – the 7-day average for new cases has tripled in the last month," health commissioner [Dave Chokshi tweeted](#) yesterday. [Read the rest.](#)
- Experts said the omicron variant makes testing important for vaccinated people, especially those participating in large social gatherings, but state officials did not emphasize that as [they confront growing caseloads](#). The number of New York City-operated fixed-location COVID-19 testing centers listed dropped dramatically in the middle of November from 54 to 34, with 31 operating as of Wednesday, [The City reports](#). Fear of the highly transmissible Omicron variant led to long lines for COVID-19 testing across New York City – with demand outstripping supply at some spots, [the Post 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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