

Wednesday, December 22, 2021
To New York Community Banks

FROM ICBA

1071 comment letter deadline nears

The deadline for ICBA's grassroots [comment letter campaign](#) on the Consumer Financial Protection Bureau's 1071 data collection and reporting requirements is rapidly approaching.

Deadline: Community bankers and small-business customers have until Thursday, Jan. 6, to use ICBA's [1071 resource center](#) to submit personalized comment letters.

Submitting Comments: Because the CFPB does not consider form letters, ICBA's [1071 resource center](#) offers a summary, guides, comment portals, and more to advocate needed reforms.

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.

Agencies issue guidance on CBLR grace period

The federal banking agencies issued guidance on a two-quarter grace period under the optional Community Bank Leverage Ratio framework set to resume after temporary relief measures expire on Dec. 31.

Guidance: The [interagency statement](#) says:

- Banks that elect the CBLR framework when submitting March 31 call reports will be subject to the 9% CBLR requirement and must use total consolidated assets as of the report date to determine eligibility.
- The CBLR framework includes a two-quarter grace period that generally allows banks additional time to build capital and manage their balance sheets to either remain in the framework or prepare to comply with the generally applicable capital requirements.
- Depending on the grace period, banks may not be required to report a 9% CBLR until the June 30 or Sept. 30 regulatory filings and will not be viewed negatively in the examination process if they use the grace period.
- Starting Jan. 1, banks in the CBLR framework must report a leverage ratio greater than 8% to use the two-quarter grace period, at the end of which they must satisfy all qualifying criteria to remain in the CBLR framework.

Background: As required by the CARES Act, the agencies lowered the CBLR to 8% in 2020 and 8.5% in 2021, with a 9% rate scheduled to resume next year.

ICBA Position: ICBA has asked regulators [to extend](#) the 8.5% CBLR requirement and to [permanently raise](#) audit and reporting requirement asset thresholds. It also [supports legislation](#) to allow regulators to implement a CBLR of 8-8.5% through 2024.

More: FDIC Chairman Jelena McWilliams [responded](#) that the agency is exploring whether to extend audit and reporting relief while it engages other regulators on additional CBLR flexibility.

FROM OTHER SOURCES

- President Biden yesterday recast the fight against the coronavirus pandemic, insisting the U.S. would not lock down or close schools despite surging cases driven by the new, highly transmissible omicron variant. He detailed new plans to expand coronavirus testing sites across the country, distribute a half-billion free at-home tests and deploy more federal health resources to aid strained hospitals as the omicron variant drives a fresh wave of infections. Biden argued that Americans who are vaccinated and boosted remain largely protected from severe illness and should plan to celebrate the holidays with family and friends as normal and said unvaccinated

Americans have a “patriotic duty” to get vaccinated.

https://www.washingtonpost.com/politics/2021/12/21/biden-omicron-speech-covid-testing-hospitals/?mkt_tok=ODUwLVRBQS01MTEAAAGBgU4Tz20Uy0yb8FmFcGI-G3wqtgWw_Lbu5mj3j61L-9D8TDC2PRsqZxaEoZyqfxqRS51kIPEIJ018s_VVWVW2JbBCiniJqS8QB38BbgxbXu9t

- Even as President Joe Biden outlined new plans for battling the highly contagious omicron variant, public health experts warned that the measures would not be sufficient to prevent a grim rise in infections and hospitalizations over the next few weeks, [The New York Times reports](#).
- With the Biden administration suffering setbacks in trying to appoint a Senate-confirmed leader at the Office of the Comptroller of the Currency, acting Comptroller Michael Hsu could emerge as the consensus choice, observers said. [Read story →](#)

FROM NEW YORK

- Governor Kathy Hochul today updated New Yorkers on the state's progress combating COVID-19. <https://www.governor.ny.gov/news/governor-hochul-updates-new-yorkers-states-progress-combating-covid-19-115>
- Beginning last Friday, New York recorded [three consecutive days of record-high case counts](#) since the start of the pandemic. However, the mortality rate is still far below what it was in December 2020, when the state was logging more than 100 deaths a day on average.
- Lawrence A. Tabak, D.D.S., Ph.D., was named Acting Director of the National Institutes of Health (NIH) effective December 20. He becomes Dr. Anthony Fauci’s boss as the Covid-19 pandemic continues. The former upstate New York dentist is a Brooklyn native who got his undergraduate degree from City College of New York, his D.D.S. from Columbia University, and a Ph.D. from the University at Buffalo, according to the [NIH](#). He is also a former senior associate dean for research and professor of dentistry, biochemistry and biophysics in the School of Medicine and Dentistry at the University of Rochester. <https://www.syracuse.com/health/2021/12/former-upstate-ny-dentist-takes-over-nih-becomes-dr-faucis-boss.html>
- Census data released Monday found New York state had the steepest annual population decline in the country between from July 2020 to July 2021, losing more than 1.5% of its people during that 12-month period. [Read More](#)

####

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; 716.880.0518)**
- **Stephen W. Rice, Director, Communications & Government Relations (Steve@ibanys.net)**