

Tuesday, December 7, 2021  
To: New York Community Banks:

## FROM ICBA

### ICBA to CFPB: Extend inquiry of largest tech firms

The Consumer Financial Protection Bureau should extend its inquiry of the six largest technology companies to all tech firms that participate in payments and financial services or hold consumer data, ICBA said.

**Background:** The CFPB is investigating how six big tech companies operating payment systems use personal payments data and manage data access to users.

**Comments:** In a [comment letter](#) to the CFPB, ICBA urged the agency to:

- Not limit examinations to big tech payment platforms, but also consider data aggregators and other entities that manage consumer financial data.
- Ensure all companies in the payments and financial services ecosystem are held to Gramm-Leach-Bliley Act-like data security standards.
- Hold breached companies liable for the costs of making consumers whole.
- Work with regulators to ensure tech companies don't abuse the industrial loan company loophole, citing ILC applications from Square and SoFi.
- Require data minimization standards for tech companies accessing consumer financial data.

**More:** [Testifying before Congress](#) last month, ICBA called on lawmakers to extend GLBA-like data security standards to retailers, technology companies, and other parties that process or store consumer financial data.

[READ ICBA LETTER](#)

### This week: ICBA advocacy briefing on 1071 push

ICBA this week is hosting a [complimentary briefing](#) on its campaign targeting the Consumer Financial Protection Bureau's Section 1071 proposal.

**Details:** Scheduled for 3 p.m. (Eastern time) this Thursday, Dec. 9, [the briefing](#) will cover the proposed small-business data collection and reporting requirements and how community bankers can weigh in.

**Comment Letters:** Because the CFPB does not consider form letters, ICBA is calling on community bankers to use its [comprehensive guide](#) to develop, format, and submit personalized comments.

**ICBA Position:** ICBA is strongly advocating a robust community bank exemption and other reforms, as laid out in [ICBA's comment letter guide](#).

### Credit unions report Q3 growth

Shares and deposits at federally insured credit unions [increased](#) 14.4% in the third quarter from the previous year, the National Credit Union Administration reported.

**Data:** The NCUA said the credit union industry's net worth increased by 10.7%, its return on average assets rose to 112 basis points from 65 basis points a year ago, and outstanding loans increased 5.8%.

**New Video:** ICBA last week [released a new video](#) distinguishing taxpaying community banks from tax-exempt credit unions and urging Americans to advocate congressional hearings on how credit unions are taxed and regulated.

**Ad Campaign:** Shorter versions of the video will be used in the coming weeks for a social media marketing campaign targeting consumers and policymakers. It follows an ICBA [print and digital ad campaign](#) on credit unions earlier this fall.

**Grassroots:** Community bankers can continue urging Congress to hold hearings on credit union acquisitions via a customizable message to lawmakers on ICBA's [Wake Up page](#) and its [Wake Up Messaging Playbook](#).

### **FDIC launches supervisory appeals office**

The FDIC [formally launched](#) its new Office of Supervisory Appeals, which is now fully operational and will begin considering and deciding appeals of material supervisory determinations.

**Background:** The office is designed to enhance the independence of the FDIC's supervisory appeals process and ensure examination consistency and accountability.

**Status Update:** After the FDIC board of directors in January approved guidelines to establish the office, it is now fully staffed, with the appeals guidelines in effect.

**ICBA Position:** In a [comment letter](#) last year, ICBA said that while the best approach is creating a separate appeals office independent of the federal banking agencies, the FDIC plan is a positive step toward a more transparent and independent appeals process.

### **OCC risk report cites loan demand, interest margins**

The OCC said banks are weathering the pandemic with satisfactory credit quality and strong earnings, but weak loan demand and low net interest margins continue to weigh on performance.

**Details:** In its latest [Semiannual Risk Perspective](#), the OCC said:

- Operational risk is elevated as banks respond to an increasingly complex operating environment and cyber risks.
- Credit risk is moderate due to widespread government programs and appropriate risk management.
- Compliance risk is heightened due to regulatory changes and policy initiatives that continue to challenge risk management.
- Strategic actions taken by banks to offset earnings impacts of low yields and NIM compression remain a risk.

### **Omicron, Fed key to economic outlook: video**

Economic indicators have been generally positive in recent weeks, but the new COVID-19 variant and potential monetary policy changes could shift the outlook, according to the latest weekly video from ICBA Securities and Vining Sparks. The video recaps recent data on housing, trade, the labor market, and more. [Watch here](#).

### **FROM OTHER SOURCES**

- COVID-19 is spreading faster than ever in South Africa, an indication of how the new omicron variant is driving the pandemic, but there are early indications that omicron may cause less serious illness than other forms of the virus, [The New York Times reports](#).
- Vaccination rates have ticked higher since the discovery of the Omicron variant, [CDC data shows](#). The seven-day average for vaccinations in the U.S. reached about 1.8 million on Monday, up from an average of about 1.3 million a month ago. Much of the growth is happening because vaccinated people are getting boosters, not because of a surge in unvaccinated people seeking their first shots, [the Washington Post writes](#). About 23% of American adults (roughly 47 million people) completed their initial series and have gotten boosters, up from about 35 million just before Thanksgiving. [https://www.axios.com/newsletters/axios-vitals-fed76f83-97ba-46c3-a1f5-77f4d03835c4.html?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=newsletter\\_axiosvitals&stream=top](https://www.axios.com/newsletters/axios-vitals-fed76f83-97ba-46c3-a1f5-77f4d03835c4.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top)
- Seeing an uptick in ransomware attacks, the OCC is cautioning banks must have in place "robust" systems to identify threats and vulnerabilities in their technology and should back up key

systems and records in isolation to guard against hackers looking to disrupt systems for a payout. [https://www.reuters.com/markets/us/us-bank-regulator-urges-vigilance-ransomware-attacks-rise-2021-12-06/?mkt\\_tok=ODUwLVRBQS01MTEAAAGBM\\_2FB9faK6aO4kTXxJriImHxKYwFoTMhDmOrS7nwp5EfWvXZdQIHk3FmAfLiOJLqk5iQKCJbkTRd6RYKahwUgFKTbqy3z8Kvc\\_zb0yNTGUp](https://www.reuters.com/markets/us/us-bank-regulator-urges-vigilance-ransomware-attacks-rise-2021-12-06/?mkt_tok=ODUwLVRBQS01MTEAAAGBM_2FB9faK6aO4kTXxJriImHxKYwFoTMhDmOrS7nwp5EfWvXZdQIHk3FmAfLiOJLqk5iQKCJbkTRd6RYKahwUgFKTbqy3z8Kvc_zb0yNTGUp)

### FROM NEW YORK

- Governor Hochul updated New Yorkers on the state's progress combating COVID-19. 79,660 vaccine doses were administered over last 24 hours. There were 49 COVID-19 deaths. Other data: Test Results Reported – 122,336; Total Positive – 6,078; Percent Positive – 4.97%; 7-Day Average Percent Positive – 4.82%; Patient Hospitalization – 3,285 (+49); Patients Newly Admitted – 375; Patients in ICU – 621 (+2); Patients in ICU with Intubation – 335 (+2); Percent of all New Yorkers with at least one vaccine dose (CDC) – 79.3%; Percent of all New Yorkers with completed vaccine series (CDC) – 69.1%. Her update also includes each region's 7-day average of cases per 100K population. <https://empirereportnewyork.com/governor-hochul-updates-new-yorkers-on-states-progress-combating-covid-19-6/>
- [New York City is requiring COVID-19 vaccinations](#) for all private sector workers. Effective December 27, [Employees and patrons of indoor dining, gyms and entertainment venues](#) age 12 or older will have to show proof of two COVID-19 vaccine doses. Four more cases of the omicron variant have been detected in New York State, including two in Suffolk County, bringing the total in the state to 12 confirmed cases, [Newsday reports](#).
- Elective surgeries and other procedures will be halted at 32 hospitals in New York that are under a capacity strain amid a rise in COVID-19 cases across New York and a shortage of staffed beds [State of Politics reports](#).
- A new federal program announced by Governor Hochul will distribute \$539 million to low- and moderate-income homeowners in New York who have [struggled to make their debt payments](#) during the coronavirus pandemic. The New York State Homeowner Assistance Fund is designed to help eligible New Yorkers at risk of foreclosure or displacement by providing assistance to those behind on mortgage payments, property taxes and water or sewer bills, as well as to owners of cooperative or condo units behind on maintenance fees and manufactured homeowners behind on chattel loans or retail installment contracts. <https://13wham.com/news/local/hochul-announces-539-million-for-homeowner-assistance-fund>

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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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