

Wednesday, December 8, 2021
To: New York Community Banks

FROM ICBA

ICBA-opposed Omarova nomination withdrawn: [READ ICBA RELEASE](#)

FinCEN proposes rule to implement beneficial owner reforms

The Financial Crimes Enforcement Network [issued a proposed rule](#) to implement ICBA-advocated beneficial ownership reporting provisions of the Corporate Transparency Act passed in 2020.

Details: The proposed rule would require covered entities to submit beneficial ownership information to FinCEN and provide timely access to this information to law enforcement, financial institutions, and other authorized users.

Impact: The proposed rule—which FinCEN said minimizes burdens on reporting companies—is designed to help combat corruption, money laundering, terrorist financing, tax fraud, and other illicit activity.

ICBA Position: ICBA has worked closely with policymakers in support of the beneficial owner policy, which passed late last year to deter the use of shell companies and provide needed relief from onerous BSA/AML reporting requirements. ICBA continues to advocate relieving community banks of collecting this information from their customers, as laid out in its [BSA/AML white paper](#).

Next Steps: The comment period is open for 60 days until Feb. 7, 2022. FinCEN said it will engage in additional rulemakings to (1) establish rules for accessing beneficial ownership information, and (2) revise FinCEN’s customer due diligence rule.

ICBA 1071 advocacy briefing tomorrow

ICBA is hosting a [complimentary briefing](#) on its campaign targeting the Consumer Financial Protection Bureau’s Section 1071 proposal at 3 p.m. (Eastern time) tomorrow, Dec. 9.

Details: [The briefing](#) will cover the proposed small-business data collection and reporting requirements and ICBA’s [comprehensive guide](#) to help community bankers 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](#).

ICBA urges House passage of LIBOR transition bill

ICBA and 21 other organizations [urged the House](#) to pass legislation to support the transition from LIBOR to alternative reference rates.

Bill: Introduced by Rep. Brad Sherman (D-Calif.), the Adjustable Interest Rate (LIBOR) Act of 2021 (H.R. 4616) would address contracts with language that did not contemplate a permanent cessation of LIBOR by providing a replacement benchmark rate that would go into effect when LIBOR is discontinued.

Vote: The bill could be voted on by the full House as soon as this week. The House Financial Services Committee passed the bill in July, and ICBA has [encouraged](#) the Senate Banking Committee to consider it.

ICBA calling for crypto consistency as House panel convenes

The House Financial Services Committee is scheduled to hold a [hearing](#) today on digital assets with testimony from CEOs of leading cryptocurrency firms. ICBA Position: In a [written statement](#) for today’s hearing, ICBA:

- Says some community banks are beginning to explore offering cryptocurrency services to meet customer demand.

- Cites risks posed by cryptocurrencies to consumers and investors, illicit activity, financial stability, disintermediation, and more.
- Encourages policymakers to harmonize regulations to ensure strong, clear, and consistent oversight of cryptocurrency service providers.

FROM OTHER SOURCES

- Pfizer Inc. and BioNTech SE said a third dose of their Covid-19 vaccine neutralized the Omicron variant in lab tests, but the two-dose regimen was significantly less effective at blocking the virus --but could still protect against severe disease. https://www.wsj.com/articles/pfizer-biontech-covid-19-vaccine-loses-significant-effectiveness-against-omicron-in-early-study-companies-say-11638964121?mod=hp_lead_pos1&mkt_tok=ODUwLVRBQS01MTEAAAGBOTqIASvaV4GZbJInXuHH7BI5VdPVGmoe16nd9C-OJhHsBLy8nNHOzY9gNXNeU2MfRoR1hjF-qYKuQGSgNeX5PJZKMMPO37c7_ iyRLTnp1StE
- Public health officials are warning that the U.S. may be on the verge of a dangerous double whammy: COVID and flu spreading simultaneously, Axios [writes](#). The Delta variant is still circulating, the Omicron variant isn't far behind and experts see signs of a bad flu season -- which could leave millions of Americans vulnerable and strain health care resources. 60% of Americans are fully vaccinated against COVID, and 41% of adults have gotten a flu shot [according to the CDC](#), (39% of children) — significantly lower than last year. The CDC [issued](#) a warning about the early circulation of a strain of flu known as influenza A (H3N2). In previous seasons when that was the predominant strain, more hospitalizations and deaths among people 65 and older occurred. [Share this story](#).
- Congressional Republicans are planning to ratchet up their attempts to repeal President Biden's vaccine and testing mandates, seeking to unwind policies that the White House and top public health officials see as critical to combating the coronavirus. https://www.washingtonpost.com/us-policy/2021/12/08/republicans-vaccine-congress-coronavirus/?mkt_tok=ODUwLVRBQS01MTEAAAGBOTqIAovAuNbR1KNlgBy3XXt3Fb7W35DChQHbQi-n02YT2XIHZzuOMMKtkivGRT0AYVDEdMRWgTMGotvTFozTMIBwMNcaUMpVerMemmbG17KK
- Whatever concerns there may be from health professionals about the risks of Omicron, and about how it's still too early to know the true severity, Wall Street has placed its bets — and they are remarkably optimistic. Wall Street is betting that the big post-COVID boom is here to stay. https://nymag.com/intelligencer/2021/12/why-wall-street-thinks-omicron-might-be-good-news.html?mkt_tok=ODUwLVRBQS01MTEAAAGBOSMvFTZm8ZC725Jlh_L1KEr9IWuzna2_3dOvXH3GI_OYdAIutigv_P0rTgXuct_ukKWpCCtJUdWjkQQRybsgBNNIDQTb6tqJekBo2E0mTx13

FROM NEW YORK

- Governor Hochul said a broad-based mandate for all private-sector workers in New York to be vaccinated won't be imposed for now, noting: "I support the local government leaders to execute the policies to fight COVID as they believe will be most helpful to deal with this pandemic in their own jurisdictions." <https://www.ny1.com/nyc/all-boroughs/ny-state-of-politics/2021/12/06/hochul-says--surgical-approach--won-t-include-broad-vaccine-mandate->
- The Federal Reserve Bank of New York later this week plans to sell up to \$90 million in agency mortgage-backed securities (MBS) now held in portfolio, a small sale, but still "an interesting move in the current economic climate." https://www.housingwire.com/articles/fed-pulling-back-from-the-mbs-market-cautiously/?mkt_tok=ODUwLVRBQS01MTEAAAGBOSMvFDsYt1zUuhvdIwnaLPc4oCS5EX

[bqiKHxEpd4l6Zbi8Q2jK0HTvU-4-3AsVcABWGwmUTjU1U5HkeAxdGLXp2kRRGzMLcxThSVF8uX876g](https://www.iberianys.net/bqiKHxEpd4l6Zbi8Q2jK0HTvU-4-3AsVcABWGwmUTjU1U5HkeAxdGLXp2kRRGzMLcxThSVF8uX876g)

- While the yearly New York State budget process follows a certain routine, in 2022 [the big unknown will be Gov. Kathy Hochul](#) -- and how well she works with legislative leaders to get her budget priorities passed on time in an election year. There are a lot of variables facing the Governor and Legislature in 2022: All 213 seats in the NYS Senate and Assembly and all four statewide officials are up for election; the COVID-19 pandemic has continued, with a spike in hospitalizations and new cases, and redistricting could upend careers and plans. Here are five issues that could dominate Albany in 2022. [Read More](#)
- With incumbent NYS Attorney General Letitia James running for governor, the race for attorney general is fast becoming like a sidewalk in Times Square the week before Christmas – enormously crowded, including former State DFS Superintendent Maria Vullo. "Capital Tonight" spoke with Vullo about her campaign and her tenure at DFS. [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 (Stever@ibanys.net)**