

Tuesday, November 30, 2021
To: New York Community Banks

FROM ICBA

ICBA launches comment letter campaign on 1071 proposal

ICBA is calling on community bankers to [submit personalized comments](#) on the Consumer Financial Protection Bureau's proposal to implement Dodd-Frank Section 1071 collection and reporting requirements.

Submitting Comments: ICBA offers a [comprehensive guide](#) to help community bankers develop, format, and submit comments. Because the CFPB does not consider form letters, community bankers should submit letters unique to their bank and community.

Background: Section 1071 requires financial institutions to collect and report certain data on credit applications from women-owned, minority-owned, and small businesses, including the race, sex, and ethnicity of the principal owners.

ICBA Position: ICBA has strongly advocated a robust community bank exemption to the reporting requirements and said the proposal's exemption for those that originate fewer than 25 loans per year is far too narrow.

Deadline: While ICBA and other organizations have advocated an extension, community bankers currently have until Thursday, Jan. 6, to use the [ICBA guide](#) to submit comment letters.

[USE ICBA GUIDE](#)

ICBA endorses HR. 6037, pushes back against SBA direct lending plan

ICBA continued its grassroots efforts against a provision under consideration in the Build Back Better reconciliation bill that would authorize the Small Business Administration from making direct loans under the 7(a) program.

Letter: In a [letter](#) to House Small Business Committee Ranking Member Blaine Luetkemeyer (R-Mo.), ICBA said the SBA would be a "poor and costly alternative" to community banks which "have direct ties to their communities, knowledge of local economic conditions and expertise honed over generations that cannot be duplicated by the SBA."

More: ICBA has spoken out against the proposal in a [news release](#), previous [letter](#) to committee leaders, and [testimony](#) before the House Small Business Committee.

Grassroots: Community bankers can use ICBA's [Be Heard](#) grassroots action center to urge Congress to oppose the SBA direct lending plan. [Contact Congress here.](#)

ICBA reconciliation grassroots campaigns continue

Following House passage of the reconciliation bill without numerous anti-community bank provisions, ICBA is encouraging community bankers to weigh in on the debate with ICBA grassroots resources:

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

Fed's Powell talks inflation, COVID uncertainty in planned testimony

Federal Reserve Chairman Jerome Powell said he expects inflation to decline significantly over the next year as supply and demand come into better balance. In [prepared testimony](#) shared ahead of today's U.S. Senate Banking Committee, Powell warned that the recent rise in COVID-19 cases and the emergence of the Omicron variant "pose downside risks to employment and economic activity and increased uncertainty for inflation."

Retails sales up during Thanksgiving weekend

US retail sales during the Thanksgiving weekend increased 14.1% from the same period last year and 5.8 percent from its 2019 level, according to the latest [Mastercard Spending Pulse report](#). In-store sales increased 16.5 percent year over year and ecommerce sales increased 4.9% for the holiday weekend. Separately, American Express [reported](#) sales of \$23.3 billion for Small Business Saturday on Nov. 27, an 18% percent increase from the prior year's reported \$19.8 billion in independent sales.

OCC announces CRA evaluation schedule for Q1, Q2

The OCC released its schedule of Community Reinvestment Act evaluations to be conducted in the first and second quarters of 2022. The CRA evaluation schedule is available on the OCC's [website](#).

FROM OTHER SOURCES

- **OCC: Agencies Issue Joint Statement on Crypto-Asset Policy Initiative and Next Steps.** The federal bank regulatory agencies issued a statement summarizing their interagency “policy sprints” focused on crypto-assets and providing a roadmap of future work related to crypto-assets. In particular, the statement describes the focus of the preliminary work conducted through the sprints undertaken by the agencies. It summarizes the agencies’ plan to provide greater clarity throughout 2022 on whether certain crypto-related activities conducted by banking organizations are legally permissible, and related expectations for safety and soundness, consumer protection, and compliance with existing law and regulations. The emerging crypto-asset sector presents potential opportunities and risks to banking organizations, their customers, and the overall financial system. The interagency sprints quickly advanced and built on agencies’ combined knowledge, which helped identify and assess key issues related to potential crypto-asset activities conducted by banking organizations. <https://www.occ.gov/news-issuances/news-releases/2021/nr-ia-2021-120.html>. If you have any questions, contact Ryan Portell, Manager, Outreach Coordination, Banking Relations, Office of the Comptroller of the Currency: (202) 716-2295; Ryan.Portell@occ.treas.gov
- The emergence of the Omicron Covid-19 variant has the pandemic looming above Biden’s presidency once more, threatening another potential wave “that could endanger the White House’s plans to focus on Biden’s legislative agenda and efforts to battle inflation and a bottlenecked supply chain,” [reports Jonathan Lemire](#).
- Moderna Inc.'s top executives reiterated that the omicron variant's many mutations suggest new vaccines will be needed, triggering a drop in financial markets. Moderna’s co-founder said: "The number of mutations on this virus are surprising." Moderna’s CEO has predicted existing vaccines will be much less effective against Omicron than earlier strains of coronavirus and warned it would take months before pharmaceutical companies could manufacture new variant-specific shots at scale. https://www.bloomberg.com/news/articles/2021-11-30/moderna-ceo-says-world-may-need-new-vaccines-to-fight-omicron?mkt_tok=ODUwLVRBQS01MTEAAAGBD-mX_aFJuHqYlQdHhzbpScLtjIjNDIjv8tBky-FyaT9d4wzNQOLmgllUdW7fkVf-AO67KMFoPfN1JIItS9jAzr6riLCvZQLSzf_ynrunsRY
- Omicron is “turbocharging” the case for vaccine boosters. Experts say boosters may soon become a requirement to be considered "fully vaccinated," [Axios writes](#). "It's now abundantly clear we all need the boosters," according to the director of the Center for Infectious Disease Research and Policy at the University of Minnesota. He warned the estimated 83 million vaccinated Americans who have not had a booster are "more and more vulnerable every day to infection and potentially serious illness with their waning immunity." [Keep reading](#).
- Negotiations in the Senate over expanding the state and local tax deduction hit a new snag with two key lawmakers at odds over whether the plan should raise revenue for other spending priorities in President Joe Biden's economic agenda. https://www.bloomberg.com/news/articles/2021-11-29/salt-cap-talks-falter-as-sanders-menendez-negotiate-details?mkt_tok=ODUwLVRBQS01MTEAAAGBD-

[mX_cMhNj1Ucf7wlQ5IkA3nPQnQnmiPHuJ8GpZOvWT2VTdqWafo2Gu25GGHK7rs58C99p5EGrUuWNF6qQCblNi77nT50nBtB0kEM4ihrf](https://www.nytimes.com/2021/11/29/us/economy/banks-considering-nontraditional-job-candidates.html)

- The aging of the American workforce is expected to hit the financial industry especially hard. So, banks are considering nontraditional job candidates, finding bigger roles for young employees and moving those planning their departures into advisory roles. [Read story →](#)

FROM NEW YORK

- The new omicron variant of the coronavirus has been found in Canada, and New York Gov. Hochul is closely watching the situation to see if any additional measures need to be taken. She said upstate hospitals have suffered a greater reduction in available beds than downstate health facilities, and testing labs, including at the State Wadsworth Center in Albany, are keeping a close eye” on the situation. https://www.nny360.com/news/publicserviceneeds/hochul-monitors-troubling-upstate-hospital-capacities/article_86424a80-2ca2-586a-96ae-3c26f67d18af.html
- Statewide, the positive COVID infection rate is surging, up past 4% to 4.05% in the latest update. Regional rates and situations are also updated. <https://dailyvoice.com/new-york/nassau/news/covid-19-long-island-positive-test-rate-soars-past-450-percent-new-breakdown-by-community/820819/>
- New York state lawmakers and Gov. Kathy Hochul should allocate at least \$2 billion for the Emergency Rental Assistance Program in order to address thousands of renters who remain in arrears, an organization that represents 4,000 housing operators on Monday said. [Read More](#)
- Across New York State, homeowners who believed their cases had been settled in their favor once again face foreclosure – even as two bills intended to protect owners have been introduced in the Legislature. <https://www.thecity.nyc/housing/2021/11/29/22801547/foreclosure-looms-new-york-homeowners-top-court-ruling>
- Wall Street banks are not immediately changing their U.S. return-to-work plans in response to the new COVID-19 variant, but are monitoring the situation. https://www.reuters.com/markets/funds/wall-street-banks-stick-with-return-to-work-plans-while-monitoring-omicron-2021-11-29/?mkt_tok=ODUwLVRBOS01MTEAAAGBD-mX_ULgGwU1XnWydqcAZLsdteCZ1MHrofCbTCsEZH0rP2tzHfVErKuITb58X64jHuGs9Or96vgLOUpWy6kr6szJv1g7FcHwOHw_uwOzCqPy
- Rep. Tom Suozzi (D-L.I./Queens) announced he will run for Governor of New York, joining the crowded field challenging Democratic incumbent Gov. Hochul. Suozzi also becomes becoming the 18th House Democrat to announce plans to leave office in the next Congress. [The New York Times](#)

###

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)**