

Thursday, January 6, 2022
To New York Community Banks

FROM ICBA

Credit union acquisition of Nebraska community bank denied

The Nebraska Department of Banking and Finance denied an application by \$7.9 billion-asset Green State Credit Union in North Liberty, Iowa, to acquire \$395 million-asset Premier Bank in Omaha.

Agency Decision: After Nebraska community bankers formally objected to the application, the state banking agency said this week that:

- Only chartered financial institutions organized to do business in Nebraska may participate in a cross-industry acquisition or merger.
- Premier did not show express power under federal law to sell substantially all its assets under the proposed acquisition, which the agency said would terminate—not carry on—the business of banking.

Next: Premier has 30 days to appeal the order.

ICBA Position: ICBA last year [spoke out against](#) the application and other interstate acquisition proposals as part of its ongoing call for Congress to investigate tax-exempt credit unions acquiring taxpaying community banks.

Ongoing Campaigns: ICBA last month [released a new video](#) urging Americans to advocate congressional hearings on how credit unions are taxed and regulated. Shorter versions of the video will be used for a social media marketing campaign, which follows an ICBA [print and digital ad campaign](#) on credit unions last 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](#).

READ MORE

Fed names Reserve Bank board leaders

The Federal Reserve Board [designated](#) the chairs and deputy chairs of the 12 Federal Reserve Banks for 2022. Each reserve bank has a nine-member board of directors, with the Fed board appointing three. (Note: At the New York Fed, Rosa M. Gil, founder, president, and CEO of Comunilife, Inc., New York was named Chair, and Vincent Alvarez, President, New York City Central Labor Council, AFL-CIO, New York, New York was named Deputy Chair.)

Fed expects to start shrinking balance sheet following rate hike: minutes

“Almost all” participants at last month’s Federal Open Market Committee meeting agreed it would likely be appropriate to begin reducing the Fed’s balance sheet holdings after its first increase to benchmark interest rates, according to the meeting [minutes](#).

Outlook: According to the agency’s “dot plot” released after the Dec. 14-15 meeting, a majority of FOMC members anticipate the federal funds rate will trend between 0.75% and 1% in 2022, indicating up to three rate hikes this year.

Private sector adds 807K jobs in December

The private sector added 807,000 jobs in December, according to [ADP](#). Small businesses added 204,000 jobs while midsized and large businesses added 214,000 and 389,000, respectively.

FROM OTHER SOURCES

- The number of new COVID cases more than tripled over the past two weeks, shattering records across the nation, which is now averaging nearly 550,000 new cases per day — a 225% increase over the past two weeks, and by far the highest levels of the entire pandemic – and, that's likely an undercount, as many people are testing themselves at home. The number of those hospitalized is rising. Intensive-care units haven't seen a significant increase in COVID patients even as cases explode, [the New York Times](#) reports. COVID deaths are holding steady at roughly 1,300 per day, on average. https://www.axios.com/newsletters/axios-vitals-50ce9803-6aa1-4f77-85c2-86fe8835db99.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosvitals&stream=top
- Senators Cardin (D-Md.) and Wicker (R-Ms.) have reportedly led recent talks on another round of coronavirus stimulus spending, focused on helping pandemic-struck businesses such as restaurants, performance venues and gyms, and have put together a roughly \$68 billion proposal that could include some new spending and repurposing unused funds from previous spending packages. [The Washington Post](#)
- The White House is strongly considering nominating former Fed Governor and ex-Deputy Treasury Secretary Sarah Bloom Raskin to become the Fed's Vice Chair for Supervision (its top banking regulator), and economists Lisa Cook and Philip Jefferson as Fed Governors. The nominees would complete President Biden's roster to the Fed's seven-seat board. Cook would be the first Black woman on the Fed board in its history and Jefferson the fourth Black man. https://www.washingtonpost.com/business/2022/01/05/fed-biden-nominees-raskin-cook-jefferson/?mkt_tok=ODUwLVRBQS01MTEAAAGBzn59LLTSb8DwsDomtBYrFCy1Z_71Hpp_mxOzkMtoeNJYZ-Zlp6t0JAyCfwrRCVMf1jKownoMqVQHTAvdwWVNwuo7WudhoanOjahCae7rv3n

FROM NEW YORK

- In her first State of the State address, Gov. Hochul [outlined her vision](#) for leading New York's pandemic recovery, promised a more ethical, transparent state government, proposed a five-year plan to build 100,000 units of affordable housing and free legal assistance to poor renters facing eviction (but did not mention limiting landlords' ability to evict tenants and raise rents, offered start-ups financial incentives to stay in or relocate to New York, and pledged to accelerate the full effective date to 2023 (the earliest year possible) instead of 2025. [Here's a rundown of her major proposals.](#) <https://www.nytimes.com/2022/01/05/nyregion/kathy-hochul-state-of-ny-speech.html>
- Among the Governor's proposals in the State of the State was to establish a Statewide Office of Financial Inclusion and Empowerment consumer research, fund pilots for inclusive services and consumer education. Also, DOL bank proposals to offer multiple banking options in conjunction with unemployment insurance benefits. Student debt assistance programs. We have attached the relevant portion of her delivered remarks for review.
- Governor Hochul today updated New Yorkers on the state's progress combating COVID-19. The positivity rate was 22.3%, and the seven-day average was 22.4%. <https://www.governor.ny.gov/news/governor-hochul-updates-new-yorkers-states-progress-combating-covid-19-129>

###

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)