

FROM ICBA

ICBA urges senators to oppose postal banking amendments

ICBA called on senators to oppose amendments to the Postal Service Reform Act of 2022 (H.R. 3076) that would authorize the U.S. Postal Service to offer additional banking services.

Letter: In a [letter to Senate leaders](#), ICBA President and CEO Rebeca Romero Rainey said:

- Postal banking would lead to significant revenue losses for taxpayers that would divert resources from the USPS's core mission of delivering mail on time.
- The lackluster results of a postal banking pilot program indicate almost nonexistent demand and a failure to generate revenue to cover expenses.
- The Senate should amend Section 3703 of the reform act, which would allow the USPS to partner with state and local governments on non-postal services, to explicitly prohibit postal banking.

Background: The legislation to overhaul and modernize the USPS passed the House 342-92 last week and is expected to come to a Senate vote this week.

Pilot Update: The Postal Regulatory Commission [is pressing USPS](#) on why it didn't seek approval before launching the postal banking pilot program, as required by federal law. The USPS previously reported that the pilot resulted in just six sales between Sept. 13 and Jan. 12.

More from ICBA: A three-part series of [ICBA issue briefs](#) delivered to policymakers last year explores the policy's flaws and offers alternatives for reaching the unbanked.

ICBA offers plan for modernizing BSA rules

ICBA [laid out its plan](#) for the Financial Crimes Enforcement Network to modernize its outdated Bank Secrecy Act framework to alleviate compliance burdens while producing more useful information for law enforcement.

Details: Responding to a FinCEN request for information under the Anti-Money Laundering Act of 2020, ICBA urged the agency to:

- Undertake a holistic review of financial crime outside the banking system.
- Raise Suspicious Activity Report and Currency Transaction Report thresholds.
- Withdraw bank beneficial ownership collection and verification requirements.
- Abandon plans to decrease record-keeping and travel rule thresholds.
- Allow banks to deploy resources to areas affecting their specific institution.
- Issue frequent reports on local, regional, and national trends, financial crime patterns, and threats.
- Provide more robust assurances for the use of new technologies.

More: ICBA last week separately [called on FinCEN](#) to withdraw bank beneficial ownership requirements now that it is required to collect this information directly from reporting companies.

Hsu: Fed CRA proposal guiding modernization effort

The Federal Reserve's 2020 proposal on modernizing Community Reinvestment Act regulations has served as a basic framework for regulators pursuing reforms, Acting Comptroller of the Currency Michael Hsu said.

Speech: In [public remarks](#), Hsu said regulators' core objectives include:

- Addressing persistent disparities in wealth and economic opportunities in underserved communities.
- Improving regulatory clarity, consistency, and transparency.
- Accounting for the increased use of mobile and internet delivery channels

ICBA Position: ICBA has repeatedly [called on regulators](#) to work together on updated CRA regulations that reflect banking industry changes, recognize the disproportionate reporting burden on community banks, and improve transparency.

CISA: ‘Shields Up’ due to tensions

The Cybersecurity and Infrastructure Security Agency issued a [“Shields Up”](#) advisory message to every U.S. organization due to increasing geopolitical tensions.

Details: The advisory provides steps organizations can take to mitigate, detect, and respond to cyber intrusions.

Exercises: Separately, ICBA and CISA are hosting a [tabletop exercise](#) on several dates starting today to support community bank cybersecurity.

FEDERAL MATTERS

- Federal Reserve officials are pushing back on the idea that the Fed might raise interest rates in between meetings and made it clear that while they are poised to begin lifting rates in March, the initial increase may be smaller than what investors have begun to expect. https://www.nytimes.com/2022/02/14/business/federal-reserve-rates-inflation.html?mkt_tok=ODUwLVRBQS01MTEAAAGCnHKH8SxYPoeOOUJfJao0cId4RXut5zHacw0aVIvnbKmWTAjn4fxzpTgzubR1uh0559Yj1kY9OKU8BBfuWybbWwXAsSc9EP3F41R3ZiF8FV
- The Senate Banking Committee will vote today on President Biden's picks for the Federal Reserve, including incumbent Chairman Powell for a second term and current Governor Brainard as Vice Chair; Sarah Bloom Raskin as Vice Chair/Supervision; and Lisa Cook and Philip Jefferson as new Fed Governors. Cook would be the first Black woman on the Fed board, while Jefferson would become only the fourth Black man. https://rollcall.com/2022/02/14/senate-banking-to-vote-on-nominees-who-would-give-fed-historic-race-and-gender-diversity/?utm_source=morningheadlines&utm_medium=email&utm_campaign=newsletters&utm_content=02/15/2022
- Americans are starting new businesses at a rapid clip, “a great sign” for the pandemic-era economy, according to Axios [reports](#). 5.4 million applications were filed to start companies in 2021 — a 53% jump from pre-pandemic levels in 2019, according to [census data](#). Various factors are creating an environment ripe for entrepreneurship. The pandemic gave people time and resources — including stimulus checks and money saved by staying home — to start new businesses, a labor economist [tells NPR](#). The rise of the [stay-at-home economy](#) also created new opportunities. https://www.axios.com/newsletters/axios-am-a4da6795-a102-4348-be58-3d5de0ef345a.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=top
- Employees at Genesee Co-Op Federal Credit Union in New York and Beneficial State Bank in California formed unions in the past year to bargain for better wages and reform their corporate cultures. Will workers at other community institutions follow their lead? [Read story →](#)

NEW YORK STATE MATTERS

- New York state’s [mask mandate](#) has been lifted in public places, but many New Yorkers are still wearing them, saying the guidelines are blurry. It’s up to individual businesses to decide if

patrons and employees will wear masks, and more businesses are ending mask mandates for vaccinated employees across the state, including Walmart, Goldman Sachs, J.P. Morgan, Morgan Stanley and workers on the New York Stock Exchange.

- “The much-hyped return to in-person work office in New York City has not gone as planned.” Despite high COVID-19 vaccination rates declining cases, the delta and omicron variants postponed some companies’ timelines for returning to the office. Some workers and companies aren’t sure if they’re ready to go back – or if they ever will be. The NYC Comptroller’s office found in a recent report as of late January that time spent in workplaces was down 29% from pre-pandemic levels. <https://www.cityandstateny.com/policy/2022/02/what-midtowns-post-pandemic-recovery-playbook/361922/>. . . *City & State* asked public health experts how New Yorkers can [safely return to their offices](#).
- New York City fired 1,430 city workers on Friday for failing to comply with its vaccine mandate, which is less than 1% of the city’s workforce, but likely the nation’s largest mass termination of municipal employees over COVID-19 vaccine mandates, [The New York Times reports](#). It’s tiny percentage of the city’s 380,000-ish strong workforce, but still a huge mass firing — perhaps the biggest in the nation over a vaccine requirement. <https://www.politico.com/news/2022/02/15/nyc-fires-municipal-workers-vaccine-mandate-00008645?nname=new-york-playbook&nid=0000014f-1646-d88f-a1cf-5f46b74f0000&nrid=00000152-f737-dcf0-a7d7-f73fb7700001&nlid=630317>
- It’s Special Election Day in [two New York City Assembly districts](#). Voters in Brooklyn’s 60th District elect a replacement for Charles Barron, while voters in the 72nd will choose a replacement for Carmen De La Rosa. Democrats are expected to hold both seats in the low turnout races – but they’re not running unopposed.

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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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