Legislation Details (With Text)

File #:	Int 0485-2011 **Version:** A	**Name:**	Evaluation of depository banks.
Type:	Introduction	**Status:**	Enacted
		In control:	Committee on Finance
On agenda:	2/16/2011		
Enactment date:	6/28/2012	**Enactment #:**	2012/038

Title: A Local Law to amend the New York City charter, in relation to the evaluation of depository banks.

Sponsors: Albert Vann, Domenic M. Recchia, Jr., Melissa Mark-Viverito, Brad S. Lander, Maria Del Carmen Arroyo, Leroy G. Comrie, Jr., Inez E. Dickens, Julissa Ferreras-Copeland, Lewis A. Fidler, Helen D. Foster, Sara M. Gonzalez, Robert Jackson, G. Oliver Koppell, Karen Koslowitz, Rosie Mendez, Diana Reyna, Joel Rivera, Deborah L. Rose, James Sanders, Jr., Larry B. Seabrook, James G. Van Bramer, Jumaane D. Williams, Ruben Wills, Daniel Dromm, Gale A. Brewer, Mathieu Eugene, Fernando Cabrera, Vincent J. Gentile, Ydanis A. Rodriguez, Charles Barron, Annabel Palma, Letitia James, Stephen T. Levin, Daniel R. Garodnick, Margaret S. Chin, Peter A. Koo, Darlene Mealy, David G. Greenfield, James F. Gennaro

Indexes:

Attachments: 1. Int. No. 485 - 2/16/11, 2. Committee Report 3/7/11, 3. Hearing Transcript 3/7/11, 4. Hearing Testimony 3/7/11, 5. Committee Report 4/30/12, 6. Hearing Testimony 4/30/12, 7. Hearing Testimony 4/30/12 (Con't), 8. Hearing Transcript 4/30/12, 9. Fiscal Impact Statement, 10. Hearing Transcript - Stated Meeting 4/30/12, 11. Hearing Transcript - Stated Meeting 5-15-12, 12. Mayor's Veto Message, 13. Committee Report 6/28/12, 14. Fiscal Impact Statement 6/28/12, 15. Hearing Transcript 6-28-12, 16. Hearing Transcript - Stated Meeting 6-28-12, 17. Local Law 38

Date	Ver.	Action By	Action	Result
2/16/2011	*	City Council	Introduced by Council	
2/16/2011	*	City Council	Referred to Comm by Council	
3/7/2011	*	Committee on Finance	Hearing Held by Committee	
3/7/2011	*	Committee on Finance	Laid Over by Committee	
3/7/2011	*	Committee on Community Development	Hearing Held by Committee	
3/7/2011	*	Committee on Community Development	Laid Over by Committee	
4/30/2012	*	Committee on Finance	Hearing Held by Committee	
4/30/2012	*	Committee on Finance	Amendment Proposed by Comm	
4/30/2012	*	Committee on Finance	Amended by Committee	
4/30/2012	A	Committee on Finance	Approved by Committee	Pass
4/30/2012	A	City Council	Laid Over by Council	
5/15/2012	A	City Council	Approved by Council	Pass
5/15/2012	A	City Council	Sent to Mayor by Council	
5/30/2012	A	Mayor	Vetoed by Mayor	
6/28/2012	A	Committee on Finance	Hearing Held by Committee	
6/28/2012	A	Committee on Finance	Approved by Committee	Pass

powered by Legistar™

6/28/2012 A City Council Overridden by Council Pass

Int. No. 485-A

By Council Members Vann, Recchia, Mark-Viverito, Lander, Arroyo, Comrie, Dickens, Ferreras, Fidler, Foster, Gonzalez, Jackson, Koppell, Koslowitz, Mendez, Reyna, Rivera, Rose, Sanders Jr., Seabrook, Van Bramer, Williams, Wills, Dromm, Brewer, Eugene, Cabrera, Gentile, Rodriguez, Barron, Palma, James, Levin, Garodnick, Chin, Koo, Mealy, Greenfield and Gennaro.

A Local Law to amend the New York City charter, in relation to the evaluation of depository banks.

Be it enacted by the Council as follows:

Section 1. Chapter 58 of the New York City charter is amended by adding a new section 1524-A to read as follows:

§ 1524-A. Community investment advisory board. 1. There is hereby established within the department an advisory board known as the community investment advisory board, which shall perform the following functions:

a. Conduct a needs assessment every two years, the first of which shall be published on the department's website on or before March 1, 2014. In conducting such needs assessment the board shall (1) assess the credit, financial and banking services needs throughout the City with a particular emphasis on low and moderate income individuals and communities, by means including but not limited to (i) convening at least one public hearing in each borough of the city; (ii) accepting, reviewing and considering public comments which describe the nature and extent of such needs; and (iii) considering the data and information collected by the board pursuant to subdivision 3 of this section; and (2) establish benchmarks, best practices, and recommendations for meeting the needs identified in such needs assessment, by, among other things, considering the data and information collected by the board pursuant to subdivision 3 of this section; and

b. Issue an annual report in plain language, the first of which shall be published on the department's website and transmitted to the banking commission on or before March 1, 2015 and each March first thereafter, which may be considered by the banking commission in reviewing a bank's application for designation or redesignation as a deposit bank, covering the preceding fiscal year, which (i) addresses how each bank that is

powered by Legistar™

designated as a deposit bank pursuant to section 1524 of the charter is meeting the needs identified pursuant to paragraph a of this subdivision and subdivision 3 of this section, including an evaluation of how each bank performed relative to the benchmarks and best practices applicable to such bank as established by the board pursuant to the needs assessment required pursuant to paragraph a of this subdivision, (ii) identifies areas of improvement from past evaluations, where applicable, and areas where improvement is necessary, taking into account the information collected by the board pursuant to subdivision 3 of this section, (iii) specifically identifies any deposit bank's failure to provide information requested in writing by the board pursuant to subdivision 3 of this section that is applicable to such deposit bank, (iv) summarizes written comments submitted to the board pursuant to subdivision 4 of this section and the role played by such comments; and (v) summarizes, in tabular format, the data collected by the board pursuant to paragraphs a through g of subdivision 3 of this section, and to the extent not deemed confidential or proprietary by the bank, paragraph h, at the community district, borough, and citywide levels of aggregation. For purposes of this section, "fiscal year" shall mean the period from July first to June thirtieth.

2. The board shall consist of eight members who shall be: the mayor or his or her designee, the comptroller or his or her designee, the speaker of the council or his or her designee, the commissioner of the department of housing preservation and development, the commissioner of the department of finance, a member of a community-based organization whose principal purpose is community and/or economic development, or consumer protection who shall be designated by the speaker, a representative of an organization or association that represents small business owners who shall be designated by the speaker and a representative of the city banking industry who shall be designated by the mayor. The mayor, comptroller, speaker and commissioners shall serve for the duration of their tenure. The three nongovernmental members shall serve four years from the date of their appointment, or through the issuance of two needs assessments pursuant to paragraph a of subdivision 1 of this section, whichever is longer, and be eligible for reappointment; provided, however, that each member shall serve until his or her qualified successor is appointed. Any vacancy

powered by Legistar™

occurring other than by expiration of term shall be filled in the same manner as the original position was filled for the unexpired portion of the term. Members shall serve without compensation. The members of the board shall be appointed within sixty days of the effective date of the local law that added this section.

3. In performing its functions as set forth in subdivision 1 of this section, the board shall seek to collect and consider information at the census tract level, relating to the credit, financial and banking services needs throughout the City and the extent to which such needs are being met, including but not limited to, information, to the extent applicable, regarding each deposit bank's efforts to:

a. address the key credit and financial services needs of small businesses;

b. develop and offer financial services and products that are most needed by low and moderate income individuals and communities throughout the city and provide physical branches;

c. provide funding, including construction and permanent loans and investments, for affordable housing and economic development projects in low and moderate income communities;

d. In the case of properties acquired by foreclosure and owned by the bank, reasonably address serious material and health and safety deficiencies in the maintenance and condition of the property;

e. conduct consumer outreach, settlement conferences, and similar actions relating to mortgage assistance and foreclosure prevention, and provide information, at the community district level to the board, relating to mortgage and foreclosure actions, including, but not limited to, total number of loans serviced and/or owned by the bank, total number of loans that are at least sixty days delinquent, total number of foreclosures commenced, total number of foreclosures prevented through loan modification, short sales, deeds in lieu of foreclosure or other mechanisms, total number of loan modifications applications, total number of loan modifications made and denied, and bank owned properties donated or sold at a discount;

f. partner in the community development efforts of the city;

g. positively impact on the city and its communities through activities including, but not limited to, philanthropic work and charitable giving; and

powered by Legistar™

h. plan for and articulate how the bank will respond to the credit, financial and banking services needs of the city identified by the needs assessment pursuant to paragraph a of subdivision 1 of this section, as applicable to the bank's type and size.

In performing the needs assessment pursuant to paragraph a of subdivision 1 of this section, the board shall also consider, to the extent practicable, the information listed in paragraphs a through g of this subdivision relating to the efforts of the city's banking industry as a whole.

4. In preparation for each annual report pursuant to paragraph b of subdivision 1 of this section, the board shall publish all information collected pursuant to paragraphs a through g of subdivision 3 of this section, and to the extent not deemed confidential or proprietary by the bank, paragraph h, summarized at the community district, borough, and citywide levels of aggregation, for each deposit bank on the department's website no later than November first of the year preceding the issuance of the report. At least thirty days after such publication, but no later than December fifteenth, the board shall hold a public hearing at which the public may testify concerning the efforts and extent to which the deposit banks are meaningfully addressing the credit and financial needs throughout the city. The board shall also take written comments for at least thirty days preceding such public hearing.

5. On or before March 1, 2013 and on or before March 1, 2014, the board shall publish on the department's website, for each deposit bank, the information collected pursuant to paragraphs a through g of subdivision 3 of this section, and to the extent not deemed confidential or proprietary by the bank, paragraph h, summarized at the community district, borough, and citywide levels of aggregation. Each such publication of information shall specifically identify any deposit bank's failure to provide information requested in writing by the board pursuant to subdivision 3 of this section that is applicable to such deposit bank.

§2. Subdivision 1 of section 1524 of the New York City charter is amended to read as follows:

1. The banking commission which consists of the mayor, the commissioner and the comptroller shall, by majority vote, by written notice to the commissioner, designate the banks or trust companies in which all

powered by Legistar™

moneys of the city shall be deposited, and may by like notice in writing from time to time change the banks and trust companies thus designated. The banking commission shall notify the council within thirty days of receiving an application for designation or redesignation, and shall also notify the council within thirty days of approving or denying such application and, if designation or redesignation was denied, the basis for denial.

§3. Paragraph (b) of subdivision 2 of section 1524 of the New York City charter is amended to read as follows:

b. If the banking commission by a majority vote shall decide that a requirement or condition contained in paragraph a of this subdivision has been violated after giving the bank or trust company an opportunity to be heard, then upon thirty days' notice to the bank or trust company such designation may be revoked. The banking commission shall post notice of such revocation and the reason for such revocation on the department's website.

§4. This local law shall take effect immediately upon its enactment.

TE/LGA
LS 1688
4-30-10am

powered by Legistar™