



## Legislation Text

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**File #:** Res 1369-2020, **Version:** \*

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### Res. No. 1369

Resolution calling on the New York State Legislature to pass, and the Governor to sign, A.10670/S.8616, prohibiting bank fees for the usage of a state-issued electronic benefit transfer card.

By Council Members Cabrera, Yeger and Chin

Whereas, Unemployment insurance is temporary income for eligible workers who have lost their jobs; and

Whereas, According to the New York State Department of Labor, as of May 2020, approximately 1,632,000 individuals receive unemployment insurance from New York State, of which 738,500 live in New York City; and

Whereas, Unbanked recipients of unemployment insurance funds living in New York State must access these funds through a state-issued debit card; and

Whereas, New York State partners with Key Bank through Key Bank's Key2Benefits program, providing Key2Benefits debit cards to those individuals who require a state-issued debit card to access their unemployment insurance funds; and

Whereas, Roughly 500,000 people in New York State currently receive unemployment benefits on a Key2Benefits debit card; and

Whereas, The Key2Benefits debit card can be used at Key Bank branches and the Allpoint ATM network without a service fee, but incurs service fees at all other ATMs; and

Whereas, There is only one Key Bank branch in Manhattan at which individuals can use a Key Bank ATM, and there are no branches located in Brooklyn, Queens, Staten Island, or the Bronx; and

Whereas, There are multiple Allpoint ATMs in each of the five boroughs of New York City, but these

ATMs impose a withdrawal limit varying from \$200-\$400 per transaction, according to Key Bank; and

Whereas, This limit requires many individuals in New York City to use the sole Key Bank ATM to access the necessary amount of funds to pay bills and cover living expenses; and

Whereas, According to a June 5, 2020 article in the *New York Times*, high unemployment caused by the COVID-19 pandemic have led to exorbitantly long lines for the one Key Bank ATM; and

Whereas, The same article reports that individuals can have to stand in these lines for several hours to access their funds, endangering their health at a time when crowded areas can facilitate the transmission of COVID-19; and

Whereas, S.8616, sponsored by State Senator Brad Hoylman, and its companion bill A.10670, sponsored by Assemblywoman Latoya Joyner, would prohibit banks from charging ATM fees for the usage of an electronic benefits transfer card, such as the Key2Benefits debit card; and

Whereas, ATM fees for the usage of an electronic benefit transfer card impose additional costs on unemployed individuals, reducing the total amount of benefits they receive; and

Whereas, Permanently eliminating ATM fees for use of the Key2Benefits debit card to access unemployment insurance funds would also allow recipients of these funds to use any ATM that is near to them, preventing long lines and wait times; and

Whereas, According to a 2017 survey conducted by the Federal Deposit Insurance Corporation, 18.2 percent of Black households and 16.2 percent of Latinx households (“Latino,” according to the study) are unbanked, compared with 3 percent of White households and 2.5 percent of Asian households; and

Whereas, These stark inequities demonstrate that the burden of ATM fees when accessing unemployment funds disproportionately affects Black and Latinx individuals; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, A.10670/S.8616, prohibiting bank fees for the usage of a state-issued electronic benefit transfer card.

LS #15086

7/1/20

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