

# **BANKING DEPARTMENT**

## **MISSION**

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,400 State-chartered banking institutions and licensees with total assets of approximately \$2.1 trillion. In carrying out this responsibility, the Department approves acquisitions, branch expansions, mergers and other forms of consolidation. It also levies fines, orders cessation of unsound financial practices and replaces management as needed. In addition, the Department is authorized to take possession of failing institutions and to operate or liquidate them for the benefit of depositors and creditors. In exercising this oversight, the Banking Department maintains the highest standards to assure the continued safety and soundness of, and the full public confidence in, the institutions supervised. By dealing decisively with institutions that are not in compliance with banking laws and regulations, or cases of malfeasance, the Department promotes a desirable business climate for all financial institutions operating in New York State.

## **ORGANIZATION AND STAFFING**

The Superintendent of Banks, appointed by the Governor, directs the Department. The Superintendent is also the Chair of the 17-member Banking Board, a quasi-legislative body which regulates the conduct of banking in the State. Members of the Board are appointed by the Governor with the consent of the Senate. They receive travel reimbursement but are not otherwise compensated. The Department maintains offices in Albany, New York City, and Syracuse.

## **BUDGET HIGHLIGHTS**

The Executive Budget recommends **\$105 million All Funds** (\$105 million Special Revenue Funds) for the Banking Department. Funding levels remain unchanged from the 2008-09 budget. The Executive Budget recommends a staffing level of **545 FTEs** for the Banking Department, representing no change from the 2008-09 budget.

The Banking Department's operations are primarily funded through assessments charged to regulated financial institutions and organizations. The remainder of the Department's operating budget is derived from fees such as investigation fees paid by entities applying for licensure or State charter. Of the recommended \$105 million, the Department's operating budget totals \$91 million and the remaining \$14 million is an appropriation to support the State Transmitter of Money Insurance Fund which protects moneys that New Yorkers electronically transfer via commercial third parties.

## **PROGRAM HIGHLIGHTS**

To ensure the safety and soundness of banking institutions, the Department monitors these institutions to identify problems and works with management to promptly solve them. This responsibility is carried out through annual on-site examinations of most State-chartered institutions, the regular review of institutional financial reports and periodic site visits.

To ensure that State-chartered banking institutions are complying with State laws and regulations and that no individuals are unfairly denied credit, Department employees

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conduct consumer compliance examinations and resolve consumer complaints. Other staff monitors whether institutions are helping to meet the credit and banking needs of local communities as required by various State laws.

The Department's investigation and prosecution of criminal banking activities protects the public and provides support to institutions that do abide by applicable laws and regulations. Lastly, the Department continues to review its internal programs, policies and procedures in order to respond to the changing financial services environment and to promote a strong and healthy financial services industry.

Additionally, the Department is actively engaged with supervised institutions and the regulatory community to bring about subprime lending reform. In August 2008 Governor Paterson signed into law a subprime lending reform bill which provides protections to homeowners at risk for foreclosure along with changes to existing law to prevent future subprime crises. The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that are held by banks, insurance companies and other institutions.

### ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2008-09	Appropriations Recommended 2009-10	Change	Reappropriations Recommended 2009-10
State Operations	101,610,000	101,610,000	0	4,500,000
Aid To Localities	3,500,000	3,500,000	0	0
Capital Projects	0	0	0	0
Total	105,110,000	105,110,000	0	4,500,000

### ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

#### Full-Time Equivalent Positions (FTE)

Program	2008-09 Estimated FTEs 03/31/09	2009-10 Estimated FTEs 03/31/10	FTE Change
Administration			
Special Revenue Funds - Other	63	63	0
Analysis and Compliance			
Special Revenue Funds - Other	35	35	0
Regulation			
Special Revenue Funds - Other	447	447	0
Total	545	545	0

### STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

Fund Type	Available 2008-09	Recommended 2009-10	Change
Special Revenue Funds - Other	101,610,000	101,610,000	0
Total	101,610,000	101,610,000	0

Adjustments:	
Transfer(s) From	
Special Pay Bill	
Special Revenue Funds - Other	(5,527,000)
Appropriated 2008-09	96,083,000

**STATE OPERATIONS  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS  
(dollars)**

<b>Program</b>	<b>Available 2008-09</b>	<b>Recommended 2009-10</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	23,247,769	22,851,000	(396,769)
Analysis and Compliance			
Special Revenue Funds - Other	4,425,490	4,589,000	163,510
Regulation			
Special Revenue Funds - Other	73,936,741	74,170,000	233,259
Total	<u>101,610,000</u>	<u>101,610,000</u>	<u>0</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2009-10 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	22,851,000	(396,769)	5,239,000	200,513
Analysis and Compliance	4,589,000	163,510	2,952,000	127,067
Regulation	74,170,000	233,259	39,231,000	(27,580)
Total	<u>101,610,000</u>	<u>0</u>	<u>47,422,000</u>	<u>300,000</u>

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance</b>	<b>Undistributed</b>
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	17,612,000	(597,282)	0	0
Analysis and Compliance	1,637,000	36,443	0	0
Regulation	33,774,000	260,839	1,165,000	0
Total	<u>53,023,000</u>	<u>(300,000)</u>	<u>1,165,000</u>	<u>0</u>

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE  
APPROPRIATIONS  
(dollars)**

<b>Fund Type</b>	<b>Available 2008-09</b>	<b>Recommended 2009-10</b>	<b>Change</b>
Special Revenue Funds - Other	3,500,000	3,500,000	0
Total	<u>3,500,000</u>	<u>3,500,000</u>	<u>0</u>

**AID TO LOCALITIES  
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM  
APPROPRIATIONS  
(dollars)**

<b>Program</b>	<b>Available 2008-09</b>	<b>Recommended 2009-10</b>	<b>Change</b>
Administration			
Special Revenue Funds - Other	3,500,000	3,500,000	0
Total	<u>3,500,000</u>	<u>3,500,000</u>	<u>0</u>