

# ***BANKING DEPARTMENT***

## ***MISSION***

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,200 State-chartered banking institutions 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, Syracuse, London, and Tokyo. The Banking Department will have a workforce of 599 positions for 2002-03.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Banking Department is entirely supported by fees charged to regulated financial institutions and organizations. The Budget recommends \$75 million to support the Department in 2002-03.

## ***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 conduct consumer compliance examinations and resolve consumer complaints. Other staff monitor whether institutions are helping to meet the credit needs of, and providing banking services to, local communities as required by the State Community Reinvestment Act.

Additionally, the Department's fair but firm approach to 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 eliminate inefficiencies, respond to the changing environment for financial services and promote a strong and healthy financial services industry.

The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that have been withheld by banks and insurance companies.

# BANKING

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	66,070,100	75,048,000	8,977,900	1,700,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	66,070,100	75,048,000	8,977,900	1,700,000

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

### Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
Special Revenue Funds - Other	64	64	0
Analysis and Compliance			
Special Revenue Funds - Other	38	38	0
Regulation			
Special Revenue Funds - Other	497	497	0
Total	599	599	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Federal	0	500,000	500,000
Special Revenue Funds - Other	63,370,100	71,848,000	8,477,900
Fiduciary Funds	2,700,000	2,700,000	0
Total	66,070,100	75,048,000	8,977,900

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	5,805,000	6,351,000	546,000
Fiduciary Funds	2,700,000	2,700,000	0
Analysis and Compliance			
Special Revenue Funds - Federal	0	200,000	200,000
Special Revenue Funds - Other	3,488,000	3,776,000	288,000
Regulation			
Special Revenue Funds - Federal	0	300,000	300,000
Special Revenue Funds - Other	54,077,100	61,721,000	7,643,900
Total	66,070,100	75,048,000	8,977,900

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2002-03 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	9,051,000	546,000	4,198,000	320,000
Analysis and Compliance	3,976,000	488,000	2,592,000	161,000
Regulation	62,021,000	7,943,900	34,983,000	1,806,000
Total	<u>75,048,000</u>	<u>8,977,900</u>	<u>41,773,000</u>	<u>2,287,000</u>

  

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	4,853,000	226,000	0	0
Analysis and Compliance	1,384,000	327,000	0	0
Regulation	25,900,000	5,978,900	1,138,000	159,000
Total	<u>32,137,000</u>	<u>6,531,900</u>	<u>1,138,000</u>	<u>159,000</u>