

# ***BANKING DEPARTMENT***

## ***MISSION***

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,600 State-chartered banking institutions and licensees with total assets of approximately \$1.3 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, and London. The Banking Department will have a workforce of 575 positions for 2006-07.

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

The Banking Department is entirely supported by assessments charged to regulated financial institutions and organizations. The Executive Budget recommends \$93.5 million to support the Department in 2006-07. This funding level represents an overall decline of 4.1 percent from 2005-06, resulting from careful workforce management and other efforts to reduce assessment charges to the banking industry.

## ***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 monitors whether institutions are helping to meet the credit and banking needs of local communities as required by various State laws.

Additionally, 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.

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.

# BANKING

## ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2005-06	Appropriations Recommended 2006-07	Change	Reappropriations Recommended 2006-07
State Operations	97,238,817	92,019,000	(5,219,817)	4,500,000
Aid To Localities	250,000	1,500,000	1,250,000	0
Capital Projects	0	0	0	0
Total	97,488,817	93,519,000	(3,969,817)	4,500,000

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

### Full-Time Equivalent Positions (FTE)

Program	2005-06 Estimated FTEs 03/31/06	2006-07 Estimated FTEs 03/31/07	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	477	477	0
Total	575	575	0

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

Fund Type	Available 2005-06	Recommended 2006-07	Change
Special Revenue Funds - Other	97,238,817	92,019,000	(5,219,817)
Total	97,238,817	92,019,000	(5,219,817)

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

Program	Available 2005-06	Recommended 2006-07	Change
Administration			
Special Revenue Funds - Other	23,166,205	21,766,000	(1,400,205)
Analysis and Compliance			
Special Revenue Funds - Other	4,040,856	4,100,000	59,144
Regulation			
Special Revenue Funds - Other	70,031,756	66,153,000	(3,878,756)
Total	97,238,817	92,019,000	(5,219,817)

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2006-07 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	21,766,000	(1,400,205)	4,440,000	0
Analysis and Compliance	4,100,000	59,144	2,583,000	0
Regulation	66,153,000	(3,878,756)	33,367,000	(3,133,000)
Total	92,019,000	(5,219,817)	40,390,000	(3,133,000)

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	16,826,000	99,795	500,000	(1,500,000)
Analysis and Compliance	1,517,000	59,144	0	0
Regulation	31,621,000	(745,756)	1,165,000	0
Total	49,964,000	(586,817)	1,665,000	(1,500,000)

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

<b>Fund Type</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2005-06</b>	<b>2006-07</b>	
General Fund	250,000	0	(250,000)
Special Revenue Funds - Other	0	1,500,000	1,500,000
Total	250,000	1,500,000	1,250,000

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

<b>Program</b>	<b>Available</b>	<b>Recommended</b>	<b>Change</b>
	<b>2005-06</b>	<b>2006-07</b>	
Administration			
General Fund	250,000	0	(250,000)
Special Revenue Funds - Other	0	1,500,000	1,500,000
Total	250,000	1,500,000	1,250,000