

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 \$1.8 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 **\$101.9 million All Funds (\$101.9 million Special Revenue Funds)** for the Banking Department. This is an increase of **\$3.7 million** from the 2007-08 budget. This net change primarily reflects a \$2 million increase for local assistance grants related to the Governor's Halt Abusive Lending Transactions Taskforce and continued growth in personal services costs.

The Executive Budget recommends a staffing level of **550 FTEs** for the Banking Department, representing no change from the 2007-08 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 \$101.9 million, the Department's operating budget totals \$87.9 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.

BANKING

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.

ALL FUNDS APPROPRIATIONS (dollars)

Category	Available 2007-08	Appropriations Recommended 2008-09	Change	Reappropriations Recommended 2008-09
State Operations	96,642,000	98,383,000	1,741,000	4,500,000
Aid To Localities	1,500,000	3,500,000	2,000,000	0
Capital Projects	0	0	0	0
Total	98,142,000	101,883,000	3,741,000	4,500,000

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

Full-Time Equivalent Positions (FTE)

Program	2007-08 Estimated FTEs 03/31/08	2008-09 Estimated FTEs 03/31/09	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	452	452	0
Total	550	550	0

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
Special Revenue Funds - Other	96,642,000	98,383,000	1,741,000
Total	96,642,000	98,383,000	1,741,000

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
Special Revenue Funds - Other	22,086,000	22,764,000	678,000
Analysis and Compliance			
Special Revenue Funds - Other	4,287,000	4,154,000	(133,000)
Regulation			
Special Revenue Funds - Other	70,269,000	71,465,000	1,196,000
Total	<u>96,642,000</u>	<u>98,383,000</u>	<u>1,741,000</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2008-09 RECOMMENDED
(dollars)**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	22,764,000	678,000	4,714,000	49,000
Analysis and Compliance	4,154,000	(133,000)	2,643,000	(72,000)
Regulation	71,465,000	1,196,000	36,733,000	1,661,000
Total	<u>98,383,000</u>	<u>1,741,000</u>	<u>44,090,000</u>	<u>1,638,000</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	18,050,000	629,000	0	0
Analysis and Compliance	1,511,000	(61,000)	0	0
Regulation	33,567,000	(465,000)	1,165,000	0
Total	<u>53,128,000</u>	<u>103,000</u>	<u>1,165,000</u>	<u>0</u>

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

Fund Type	Available 2007-08	Recommended 2008-09	Change
Special Revenue Funds - Other	1,500,000	3,500,000	2,000,000
Total	<u>1,500,000</u>	<u>3,500,000</u>	<u>2,000,000</u>

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

Program	Available 2007-08	Recommended 2008-09	Change
Administration			
Special Revenue Funds - Other	1,500,000	3,500,000	2,000,000
Total	<u>1,500,000</u>	<u>3,500,000</u>	<u>2,000,000</u>