S T A T E O F N E W Y O R K

1347

2015-2016 Regular Sessions

I N S E N A T E

January 12, 2015

Introduced by Sen. PERALTA -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law and the banking law, in relation to authorizing credit unions to participate in the excelsior linked deposit program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph (b) of subdivision 14 of section 213 of the state finance law, as added by chapter 25 of the laws of 1995, is amended to read as follows:

(b) any thrift OR CREDIT UNION which an authorized depositor determines is eligible to accept linked deposits based upon criteria applied by the authorized depositor in making determinations under section one hundred five of this chapter, and which agrees to participate in the program, provided that any linked deposit in such thrift OR CREDIT UNION shall be secured in the same manner as moneys deposited pursuant to section one hundred five of this chapter and such thrifts OR CREDIT UNIONS shall pledge assets or furnish other security satisfactory in form and amount to the authorized depositor for the repayment of moneys. Until April first, nineteen hundred ninety-six, in the determination of thrifts eligible to accept linked deposits, the authorized depositor shall give priority to applications by those thrifts seeking to make linked loans in economic development regions in which fewer than ten linked loans have been made on or before April first, nineteen hundred ninety-five. Provided, however, that the granting of such priority shall in no way relieve an authorized depositor of his or her duty and obligation to review all thrift applications from all economic development regions in the state on a timely basis.

S 2. The closing paragraph of subdivision 15 of section 213 of the state finance law, as amended by chapter 291 of the laws of 2004, is amended to read as follows:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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This article and the related statutes that refer to this article do not grant thrifts, CREDIT UNIONS, farm credit system institutions or the New York business development corporation eligibility to accept public funds or public moneys from public entities for investment purposes. For farm credit system institutions, the linked deposit program is available for loans with an agricultural purpose as defined by the farm credit act of nineteen hundred seventy-one, as amended and regulations promulgated thereunder. A linked deposit is intended to enable a lender to make a linked loan to an eligible business and such deposit earns a yield lower than posted rates in order to accomplish the goals of this article.

S 3. Section 213 of the state finance law is amended by adding a new subdivision 24 to read as follows:

24. "CREDIT UNION" MEANS ANY CREDIT UNION CHARTERED UNDER ARTICLE ELEVEN OF THE BANKING LAW OR ANY FEDERAL CREDIT UNION.

S 4. Section 454 of the banking law is amended by adding a new subdivision 33-a to read as follows:

33-A. TO ACCEPT MONEYS DEPOSITED BY THE COMMISSIONER OF TAXATION AND FINANCE OR THE COMPTROLLER AS LINKED DEPOSITS AND MAKE LINKED LOANS PURSUANT TO ARTICLE FIFTEEN OF THE STATE FINANCE LAW AND TO PLEDGE ASSETS OR FURNISH OTHER SECURITY SATISFACTORY IN FORM AND AMOUNT TO THE DEPOSITOR, FOR REPAYMENT OF SUCH MONEYS.

S 5. This act shall take effect immediately.