# STATE OF NEW YORK

2461

2017-2018 Regular Sessions

# IN SENATE

January 13, 2017

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

AN ACT to amend the banking law, in relation to assessment of the record of performance of banking institutions in helping to meet the credit needs of local communities

**The People of the State of New York, represented in Senate and Assembly, do enact as follows:**

Section 1. The opening paragraph of paragraph (a) of subdivision 3 of section 28-b of the banking law, as amended by chapter 227 of the laws of 2013, is amended to read as follows:

When taking any action on an application or notice made by a banking institution under (i) section one hundred five, two hundred twenty-four, two hundred forty, or three hundred ninety-six of this chapter for a branch office, (ii) section one hundred ninety-one of this chapter for a public accommodation office, (iii) section six hundred one-b of this chapter for approval of a merger or purchase of assets, or (iv) under section one hundred five-a, two hundred forty-a or three hundred ninety-six-a of this chapter for the use or installation of an automated teller machine, point-of-sale terminal or similar electronic facility or on any other application or notice to which the superintendent of financial services shall by rule or regulation make applicable the provisions of this section, the superintendent shall take into account, among other factors, an assessment, in writing, of the record of performance of the banking institution in helping to meet the credit needs of its entire community, including low and moderate-income neighborhoods, consistent with safe and sound operation of the banking institution. **Such assessment shall include a separate discussion of the record of the banking institution pertaining to each of the assessment factors listed in all of the subparagraphs of this paragraph and a complete explanation of how each of these factors was considered by the department in making the assessment. This explanation shall include, but not be limited to, annu-**

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

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al data for the institution as follows: loans for housing low and moderate-income residents of low and moderate-income areas, and the scope of efforts to market housing and small business loans in low and moderate-income areas; the amount of loans to farms, and loans to small businesses that provide services to low and moderate-income residents of low and moderate-income areas; financial investments in and contributions to nonprofit local community development or redevelopment projects or entities; manpower resources committed to low and moderate-income housing lending and small business lending and other forms of administrative support for such lending; and participation in governmentally or privately sponsored loan insurance, guarantee or subsidy programs for housing, small businesses and small farms. Such assessment and explanation and any written communications from the department of financial services to a banking institution relating to such assessment and explanation shall be made available to the public upon request, provided that nothing contained in this subdivision shall be deemed to alter, amend or affect the provisions of subdivision ten of section thirty-six of this chapter. In making such assessment and explanation, the superintendent shall review all reports and documents filed with him or her pursuant to subdivision one of this section and any signed, written comments received by the superintendent which specifically relate to the banking institution's performance in helping to meet the credit needs of its community. In addition, the superintendent shall consider the following factors in assessing and explaining a banking institution's record of performance:

§ 2. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rules or regulations necessary for the implementation of the foregoing section of this act on its effective date are authorized to be made on or before such effective date.