

# STATE OF NEW YORK

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5459

2021-2022 Regular Sessions

## IN ASSEMBLY

February 16, 2021

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Introduced by M. of A. DARLING -- read once and referred to the Committee on Economic Development

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:

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

4 (b) any thrift or credit union which an authorized depositor deter-  
5 mines is eligible to accept linked deposits based upon criteria applied  
6 by the authorized depositor in making determinations under section one  
7 hundred five of this chapter, and which agrees to participate in the  
8 program, provided that any linked deposit in such thrift or credit union  
9 shall be secured in the same manner as moneys deposited pursuant to  
10 section one hundred five of this chapter and such thrifts or credit  
11 unions shall pledge assets or furnish other security satisfactory in  
12 form and amount to the authorized depositor for the repayment of moneys.  
13 Until April first, nineteen hundred ninety-six, in the determination of  
14 thrifts eligible to accept linked deposits, the authorized depositor  
15 shall give priority to applications by those thrifts seeking to make  
16 linked loans in economic development regions in which fewer than ten  
17 linked loans have been made on or before April first, nineteen hundred  
18 ninety-five. Provided, however, that the granting of such priority shall  
19 in no way relieve an authorized depositor of his or her duty and obli-  
20 gation to review all thrift applications from all economic development  
21 regions in the state on a timely basis.

22 § 2. The closing paragraph of subdivision 15 of section 213 of the  
23 state finance law, as amended by chapter 291 of the laws of 2004, is  
24 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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1 This article and the related statutes that refer to this article do  
2 not grant thrifts, credit unions, farm credit system institutions or the  
3 New York business development corporation eligibility to accept public  
4 funds or public moneys from public entities for investment purposes. For  
5 farm credit system institutions, the linked deposit program is available  
6 for loans with an agricultural purpose as defined by the farm credit act  
7 of nineteen hundred seventy-one, as amended and regulations promulgated  
8 thereunder. A linked deposit is intended to enable a lender to make a  
9 linked loan to an eligible business and such deposit earns a yield lower  
10 than posted rates in order to accomplish the goals of this article.

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

13 24. "Credit union" means any credit union chartered under article  
14 eleven of the banking law or any federal credit union.

15 § 4. Section 454 of the banking law is amended by adding a new subdi-  
16 vision 33-a to read as follows:

17 33-a. To accept moneys deposited by the commissioner of taxation and  
18 finance or the comptroller as linked deposits and make linked loans  
19 pursuant to article fifteen of the state finance law and to pledge  
20 assets or furnish other security satisfactory in form and amount to the  
21 depositor, for repayment of such moneys.

22 § 5. This act shall take effect immediately.