

STATE OF NEW YORK

5459

2021-2022 Regular Sessions

IN ASSEMBLY

February 16, 2021

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.