

# STATE OF NEW YORK

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6716--A

2023-2024 Regular Sessions

## IN ASSEMBLY

May 5, 2023

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Introduced by M. of A. HUNTER -- read once and referred to the Committee on Economic Development -- reported and referred to the Committee on Ways and Means -- reported and referred to the Committee on Rules -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law and the New York state urban development corporation act, in relation to the capital access 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 1 of section 212 of the bank-  
2 ing law, as amended by chapter 1 of the laws of 1994, is amended to read  
3 as follows:

4 (b) The corporation shall undertake the following programs in further-  
5 ance of the above objectives: (i) establish regional offices at  
6 locations throughout New York, with sufficient staffing to advise,  
7 develop and package financial assistance for small and medium sized  
8 businesses; (ii) develop a comprehensive outreach program to increase  
9 the visibility and awareness of the corporation's programs, including  
10 allocating budget and staff to establish and maintain an aggressive and  
11 extensive marketing program of the corporation's program of assistance  
12 to small and medium sized businesses, providing for specific outreach to  
13 minority and women owned enterprises, and entering into cooperative  
14 relationships with local chambers of commerce, local development agen-  
15 cies, local development corporations and other community based financial  
16 intermediaries as set forth in subdivision three of this section; (iii)  
17 establish and operate, or affiliate with a small business investment  
18 company and a specialized small business investment company; ~~and~~ (iv)  
19 establish a pilot export financing program, using personnel from the  
20 private sector, to evaluate whether the corporation can play a signif-  
21 icant role in the growth of the export industry in the state and (v)  
22 establish a program in cooperation with the empire state development

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

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1 corporation that shall focus on small businesses located in highly  
2 distressed areas and minority and women-owned business enterprises  
3 (MWBES) as such designations are defined by the regulations of the New  
4 York state urban development corporation act, through which the corpo-  
5 ration shall be authorized to: (A) act as third-party agent for the  
6 capital access program established by section sixteen-k of section one  
7 of chapter one hundred seventy-four of the laws of nineteen hundred  
8 sixty-eight, constituting the urban development corporation act; (B)  
9 process, fund and approve qualifying program loans made by the corpo-  
10 ration or a participating financial institution pursuant to section  
11 sixteen-k of section one of chapter one hundred seventy-four of the laws  
12 of nineteen hundred sixty-eight, constituting the urban development  
13 corporation act; (C) maintain and service a portfolio of qualifying  
14 loans made pursuant to the capital access program; and (D) engage in  
15 outreach and marketing to financial institutions to increase awareness  
16 of the program established under this subparagraph. The corporation  
17 shall undertake the programs enumerated herein at such times as its  
18 board of directors determines that the corporation's capital base and  
19 available funds are adequate to support the operation of such program.  
20 The programs enumerated herein may be modified by the corporation as may  
21 be necessary to meet the changing needs of the state's economy, as  
22 determined by the board of directors.

23 § 2. Paragraph (b) of subdivision 3 of section 16-k of section 1 of  
24 chapter 174 of the laws of 1968, constituting the New York state urban  
25 development corporation act, as amended by chapter 103 of the laws of  
26 2011, is amended to read as follows:

27 (b) Any contract entered into pursuant to subparagraph (i) of para-  
28 graph (a) of this subdivision shall:

29 (i) be for a period of two years and shall be renewed for an addi-  
30 tional two year period subject to requirements of subparagraph (ii) of  
31 paragraph (a) of this subdivision; ~~and~~

32 (ii) provide for compensation for expenses incurred by the third party  
33 agent in connection with its services as agent and for such other  
34 services as the corporation may deem appropriate including, but not  
35 limited to the use of the premises, personnel and personal property of  
36 the third party agent;

37 (iii) notwithstanding any law, rule or regulation to the contrary, use  
38 the underwriting standards provided for in subdivision four of this  
39 section to evaluate applications for loans pursuant to the program filed  
40 by a minority and women-owned business enterprise, or a small business  
41 whose principal place of business is in a highly distressed area;

42 (iv) provide for the development of an integrated web portal for the  
43 third-party agent which enables access by minority and women-owned busi-  
44 ness enterprises and small businesses in highly distressed areas to  
45 obtain information on the capital access loan program including the  
46 ability to make application and to receive approval for such loan  
47 online; and

48 (v) provide funding for marketing to the third-party agent to be  
49 directed to potential loan recipients and to financial institutions to  
50 increase awareness participation and referrals to the capital access  
51 loan program.

52 § 3. Section 16-k of section 1 of chapter 174 of the laws of 1968,  
53 constituting the New York state urban development corporation act, is  
54 amended by adding two new subdivisions 4 and 5 to read as follows:

55 4. Notwithstanding any law, rule or regulation to the contrary, the  
56 department of financial services, the empire state development corpo-

1 ration and the New York business development corporation shall jointly  
2 establish underwriting standards to assist minority and women-owned  
3 business enterprises and small businesses in highly distressed areas. In  
4 addition to other factors, such standards should incorporate verifiable  
5 alternative indications of creditworthiness presented or made available  
6 by the applicant.

7 5. Pursuant to subparagraph (v) of paragraph (b) of subdivision 1 of  
8 section 212 of the banking law, the New York business development corpo-  
9 ration and the empire state development corporation shall enter into an  
10 agreement pursuant to which the New York business development corpo-  
11 ration shall authorize, maintain and administer the program established  
12 in such subparagraph.

13 § 4. This act shall take effect on the one hundred twentieth day after  
14 it shall have become a law.