

2005

New York State Assembly

Annual Report



Committee on Banks

Catherine Nolan - Chairwoman
Sheldon Silver - Speaker

December 15, 2005

The Honorable Sheldon Silver
Speaker of the Assembly
State Capitol, Room 349
Albany, NY 12248

Dear Speaker Silver:

I am pleased to submit the 2005 Annual Report of the Assembly Standing Committee on Banks.

The 2005 Legislative Session was a very busy and productive session for the Banks Committee. The Committee focused on legislation that sought to maintain and enhance the vitality of our State's financial services industry by striking the proper balance between the following: protecting consumers' financial interests and rights, fostering competition among financial entities, and ensuring that the industry operates within a sound statutory and regulatory framework.

The Committee's significant 2005 legislative accomplishments included: a new law designed to prevent check forgery scams; protecting the banking interests of Holocaust survivors and their heirs; protecting banking customers from identity theft; protecting homeowners in foreclosure or default on their homes from appalling home equity theft scams; creating a State Charter Deposit Program in order to make the state charter a more attractive option for banks; clarifying the Superintendent of Banks' regulatory scope and powers; and, strengthening the money transmitter industry by prohibiting unauthorized entities from participating in the industry.

Additionally, the Banks Committee held a total of five public hearings on important banking issues. In April, the Banks Committee convened a hearing that discussed various forms of identity theft and how the Assembly might combat these unfortunately frequent scams. Three public hearings were held in May. The first hearing discussed refund anticipation loans (RALs), their impact on the public, and potential consumer protections offered in several Assembly bills. The second hearing examined home equity theft scams and the protections offered in legislation that later passed the Assembly. The third public hearing held in May dealt with various aspects of the Banking Development District program. Finally, the Committee convened a budget oversight

hearing in December that evaluated the impact of the 2005-2006 New York State budget on Banking Department programs.

The Committee continues to monitor developments in the banking industry at both the federal and state levels, and, as always, is prepared to act expeditiously in order to serve the interests of banking customers and the industry.

It is a pleasure serving as Chairwoman of the Assembly Banks Committee. I greatly appreciate the continued support of you, Mr. Speaker, and the cooperation of my Assembly colleagues – particularly those who are members of the Committee. Additionally, I would like to thank the Committee staff for their hard work and cooperation.

I am looking forward to a productive 2006 Legislative Session.

Sincerely,

Catherine Nolan, Chairwoman
Assembly Banks Committee

**2005
ANNUAL REPORT
NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON BANKS**

**Catherine T. Nolan
Chairwoman**

Committee Members

Majority

Ivan C. Lafayette
Anthony S. Seminerio
Rhoda S. Jacobs
Richard L. Brodsky
Ronald J. Canestrari
Clarence Norman, Jr.
Harvey Weisenberg
N. Nick Perry
William Magee
Peter J. Abbate, Jr.
William Scarborough
Felix Ortiz
Darryl Towns
Ann-Margaret Carrozza
Frank R. Seddio
Michael N. Gianaris
Luis M. Diaz
Jose R. Peralta
Jonathan L. Bing
William F. Boyland, Jr.
Michael A. Benjamin

Minority

Roy J. McDonald
 Ranking Minority Member
James N. Tedisco
Patricia L. Acampora
Patrick R. Manning
James P. Hayes
Dierdre K. Scozzafava
Joseph A. Errigo
Bill Reilich

Staff

Ernest Amabile, Legislative Coordinator
Teri Kleinmann, Associate Counsel
Brian Quiara, Legislative Analyst
Renée Skorupski, Committee Assistant
Cindy Ceniviva, Program and Counsel Secretary

I. INTRODUCTION

The Assembly Standing Committee on Banks is responsible for reviewing and initiating legislation that affects financial institutions that either operate in or whose actions affect New York State. The Committee's statutory purview includes the Banking Law, the General Obligations Law, the Uniform Commercial Code, and the Personal Property Law. Entities under the jurisdiction of the Banking Law include banks, trust companies, savings banks, savings and loan associations, credit unions, bank holding companies, safe deposit companies, employee welfare funds, sales finance companies, licensed lenders, licensed cashers of checks, mortgage brokers, mortgage bankers, insurance premium finance agencies, and foreign and private banks.

Legislation before the Committee emanates principally from legislators who are aware of the issues facing the banking industry and from the New York State Banking Department. Other sources include various trade associations, financial organizations, and private and community groups with relevant interests or concerns.

Bills referred to the Committee on Banks address a broad range of concerns such as: maintaining the competitive balance among financial institutions, protecting customer interests, providing housing finance, and modifying banking regulations and administration.

During the 2005 Legislative Session, 125 bills were considered by the Banks Committee. Of these, 49 were favorably reported, 36 passed the Assembly, and 10 were signed into law.

II. MAJOR ISSUES OF 2005

To meet the challenge of protecting the interests of consumers while not jeopardizing the strength of the State's banking industry, the Committee on Banks addressed a number of significant issues this year including: increasing customer protection, enhancing the safety and soundness of the banking industry and ensuring access to financial services.

A. INDUSTRY ISSUES

1. Annual Report of the Holocaust Claims Processing Office

A.1911 (Nolan, Silver) /S.2479 (Saland)

Chapter 249

Currently, the Holocaust Claims Processing Office only makes sporadic reports updating the public on its ongoing efforts, activities and accomplishments. By requiring the Superintendent to submit a report each year with respect to this Office, this new law will draw further attention to the Office's mission and accomplishments, and will provide a foundation for developing ways of increasing its effectiveness.

2. Mortgage Certificates of Discharge

A.4540-C (Nolan) /S.48-B (DeFrancisco)

Chapter 467

This new law will ensure that customers receive their certificate of discharge of mortgage in a more expeditious manner. Mortgagees that fail to issue and deliver a certificate of discharge in accordance with current law will be liable to the mortgagor in the amount of five hundred dollars if the certificate is not presented within 30 days, one thousand dollars if the certificate is not presented within 60 days, and one thousand five hundred dollars if the certificate is not presented within 90 days.

3. Extending Permissible Fees Associated with Open-End Loans

A.8209-A (Nolan) /S.4388-A (Farley)

Chapter 122

In 1996, legislation was enacted to authorize licensed lenders to charge annual fees on open-end loans. The law further provided that any such fee may not exceed the lesser of 1 % of the loan amount or \$50. This 1996 law contained a sunset date of June 30, 2000. Legislation was passed in 2000 to extend this authority for another five years. The provisions of the 1996 law are currently scheduled to expire on June 30, 2005. Annual fees provide financial institutions with greater flexibility in pricing their loan products. Without this type of fee, lenders would have to rely solely on the interest rate to cover all of their costs. This would have the effect of elevating the interest rate. For example, many accounts, especially passive or low-balance accounts, may not generate sufficient

interest income to offset the expenses incurred. To help recover such costs, a lender can either charge an annual fee to each customer, or they can increase the interest rate for all customers. The problem with the latter approach is that the impact of such rate increases falls disproportionately on persons who carry a high balance. In contrast, the ability to charge an annual fee enables lenders to better apportion their costs between account holders to reflect the actual costs incurred. This new law will extend for two years, until June 30, 2007, the authority of licensed lenders to charge permissible annual fees on open-end personal loans.

**4. State Charter Deposit Program
A.8227 (Nolan) /S.5081 (Farley)
Chapter 705**

This new law will promote the state banking charter by repealing the Community Bank Deposit Program and creating the State Charter Deposit Program to authorize and encourage the State Comptroller and the Commissioner of Taxation and Finance to deposit a portion of the funds under their control into state-chartered community banking institutions, provided that such institutions have a CRA rating of satisfactory or better. Under this program, the Comptroller and the Commissioner may each deposit a total of up to \$100 million in state-chartered banks, trust companies, savings banks, and savings and loan associations.

**5. Licensed Check-Cashing Facilities
A.8472 (Boylard) /S.4050 (Farley)
Chapter 233**

This new law codifies in statute the current policy of the Banking Department regarding licensed check cashers and the application of the distance restriction statute to limited stations, the relocation of save-harmless licensed facilities that are currently within the restricted distance from licensed facilities, and the voluntary waiver of the limitation by an affected licensee.

**6. Prohibiting the Use of Subagents by Money Transmitter Agents
A.8474 (Nolan) /S.4048 (Farley)
Chapter 232**

The Department does not license or approve agents and therefore does not subject them to the intensive background, character and fitness checks applicable to charter and license applicants. The recruitment, retention, oversight and supervision of agents is the responsibility of the licensee, which the Department does hold responsible for the actions of such agents. Based upon previous discussions with the industry, the use of subagents was not permitted. This new law, therefore, expressly prohibits the use of subagents by money transmitter agents.

7. Banking Institutions and Power of Attorney

A.411 (Lavelle) /S.128 (Trunzo)

This bill would require all banking institutions to honor a statutory short form power of attorney. The provisions of this bill are contained already in the General Obligations Law, however a cross reference is appropriate in this case because banking institutions are more likely to be aware of these provisions if they are contained in the Banking Law.

This bill passed the Assembly but was not acted on by the Senate.

**8. New York State Banking Department Banking Board
A.1203 (Nolan)**

The Banking Board represents the branch of the New York State Banking Department that promulgates regulations that oversee banking business in the State. The Board is comprised of seventeen members - the Superintendent of Banks, eight members who must have prior banking experience, and eight "public" members. Currently, the Governor appoints all sixteen members, and these nominees subsequently are approved by the Senate. This bill would give the Senate and the Assembly a greater voice in this process by allowing both bodies to appoint two of the eight public members. The Governor would still appoint the eight members who must have banking experience, as well as four of the public members.

This bill passed the Assembly but was not acted on by the Senate.

**9. Annual Report of Condition for Overseas Office in London
A.1204-A (Nolan)**

The New York State Banking Department operates a district office in London in order to respond more effectively to changing global trends and to protect the interests of New York's banks and banking customers alike. However, the Banking Department makes reports only sporadically with regard to this office. This bill would require the Department to report on the activities of the London office each year, so that individuals outside of the Department may remain more aware of trends and developments in international finance.

This bill passed the Assembly but was not acted on by the Senate.

**10. New York Community Development Financial Institutions (CDFI) Fund
A.1205-A (Nolan)**

The federal CDFI Fund provides loans, deposits and equity investments to community-based institutions which offer banking and credit services to low- to moderate-income communities. These services include savings and checking accounts, mortgage loans, consumer loans and small business loans. These federal

funds have been used to leverage matching funds from the private sector, states and local governments. This bill would create a state CDFI Fund that could serve as a match for the federal fund, and thereby assist local CDFI Funds in providing needed financing opportunities.

This bill passed the Assembly but was not acted on by the Senate.

**11. Registration of “Non-Bank” ATMs
A.1360-A (Nolan)**

Independently owned and operated ATMs (ATMs, in other words, that are not owned by banks) are not regulated under New York Law. It is reported that ATMs can be purchased for as little as \$500. Abuses of these machines are on the rise and there is little redress provided in law today. There is evidence also that non-bank ATM operators set up these machines to trap consumer account information in order to forge phony cards that are then used to withdraw money from these consumers’ accounts at bank-owned ATMs. This bill would require registration of these non-bank ATMs with the New York State Banking Department. Registration of these machines would assist in tracking criminal use and assist law enforcement in imposing fines and penalties on those operating these machines illegally.

This bill passed the Assembly but was not acted on by the Senate.

**12. Holocaust Claims Processing Office
A.1912 (Nolan, Silver) /S.2477 (Saland)**

The Holocaust Claims Processing Office, as part of the New York State Banking Department, helps individuals recover any property or other financial assets stolen from them during the Holocaust. This bill requires banks doing business in New York State to inform their account holders, in writing, of the existence and purpose of the Holocaust Claims Processing Office, and will assist potential victims in reclaiming their rightful property more expeditiously.

This bill passed the Assembly but was not acted on by the Senate.

**13. New York State Money Transmission Disclosure Act
A.6273 (Titus) /S.4680 (Farley)**

All too often, customers who use money transmitters are not aware of the basic components of their transaction, such as the exchange rate used for the transaction and the exact amount of money that the recipient will receive. This bill would clarify this process by providing customers with pertinent details of their transaction prior to the time that they actually pay for the transaction. Customers would receive a clearly written disclosure that would include: the total amount of currency in U.S. dollars presented by the customer; the rate of exchange applied to each particular transaction; the amount of commissions and fees charged by the

money transmitter; and, the total amount of currency to be delivered to the beneficiary, in both U.S. dollars and the currency of the foreign destination.

This bill passed the Assembly but was not acted on by the Senate.

**14. Cancellation of Financial Insurance
A.6490 (Nolan) S.1742 (Balboni)**

Presently, the law mandates that notices of a cancelled insurance contract must be served by mail. In recognition of the electronic age and utilization of transmission by electronic means, and in an effort to reduce needless paper waste, this bill would provide for the right to serve notices of cancellation between the premium finance agencies and the insurers, if the insurers so agree, by electronic means. This would provide for the instantaneous receipt of notices, expedite the processing of such notices, and reduce paperwork.

This bill also would provide that the cancellation of an insurance contract shall be effective at 12:01 A.M. following the date of mailing of the cancellation notification by the premium finance agency, without regard to the date of receipt of the notice by the insurer. Finally, the bill would provide that if a cancellation notice is sent by electronic means, the effective date of such cancellation is 12:01 A.M. the day following transmission of such notice.

This bill passed the Assembly but was not acted on by the Senate.

B. REGULATORY ISSUES

1. Savings Banks and Savings and Loan Associations

A.7388 (Nolan) /S.4522 (Farley)

Chapter 82

This new law makes several technical corrections to the Banking Law as it applies to savings banks and savings and loan associations, including allowing the Superintendent of Banks to establish reporting requirements according to the size and/or business activities of a savings bank, and ensuring that religious corporations may deposit moneys and conduct banking business with thrift institutions.

2. Joint Ventures

A.7509 (DiNapoli) /S.4361 (Skelos)

Chapter 372

A law signed in 2004 allowed joint ventures to apply for a certificate to operate as limited liability investment companies, for the purpose of participating in a federal Small Business Administration lending program. This new law makes technical corrections to last year's chapter, ensuring that the Superintendent of Banks has the proper supervisory authority over approved investment companies. These corrections also ensure that the Banking Law applies properly to the provisions of last year's chapter.

3. Federal Home Loan Bank Letters of Credit

A.8064 (Nolan) /S.4755 (Farley)

Chapter 345

In 1992, legislation was enacted to allow municipalities to accept irrevocable letters of credit from a federal home loan bank as security for any municipal deposits they had placed in a banking institution. In 2002, this law was revised to better enable municipalities to accept such letters of credit. These two laws recognized that letters of credit from a federal home loan bank can be an appropriate, secure and cost-effective option to collateralize government deposits. Similarly, this new law clarifies and ensures that the State Comptroller may accept federal home loan bank letters of credit as collateral for any state funds deposited in banking institutions.

4. Cashing Social Security Checks

A.415 (Markey) /S.573 (Maltese)

Senior citizens are having difficulty cashing their social security checks in banks where they do not have an account and banks where they have insufficient funds to cover the check. Many senior citizens are unable to maintain sufficient funds in

their account to cover their next check, so they resort to having friends and relatives cash them.

This bill would require every banking organization or foreign banking corporation to cash properly endorsed social security checks upon the presentation of sufficient identification, even if the payee is a non-depositor.

This bill passed the Assembly but was not acted on by the Senate.

5. Payday Lending Protections for Military Personnel
A.7288 (Nolan)

Recent studies indicate a high concentration of payday lending companies near military bases. Around the country, military commanders and military relief societies report cases of soldiers, sailors and marines getting into financial difficulties when dealing with payday lenders – with reported stress to soldiers’ fitness for duty, and negative consequences for their families. Stress over paying off payday loans hurts troop morale as well as combat readiness. In extreme cases, troops saddled with debt must be discharged. This bill is designed to address these concerns.

This bill would offer protections to military personnel by establishing procedures governing payday loans made to military borrowers.

This bill passed the Assembly but was not acted on by the Senate.

6. Financial Literacy Program for Military Families Program
A.7420 (Nolan)

In recognition of the sacrifices that members of the military and their families have made for our country, both the state and federal government have created various financial programs and benefits for military personnel. This bill would ensure that information is distributed to members of the military in New York so that they may take advantage of such programs.

This bill passed the Assembly but was not acted on by the Senate.

7. Banking Development District Application Process
A.8235 (Nolan)

The Legislature created the Banking Development District (BDD) program in 1997 to encourage banks to establish branches in areas that demonstrate a need for enhanced banking services. Once the Superintendent of Banks has received an application requesting a BDD, he or she has 60 days to approve or deny this request. While this expedited process is laudable, the purpose of this bill is to promote a more thorough discussion of a potential BDD. By requiring the

Superintendent of Banks to convene a public hearing prior to the approval of any BDD, this bill would allow the elected state officials whose districts are being considered for a BDD, as well as the community groups in such districts, to participate in an open discussion as part of the application process.

This bill passed the Assembly but was not acted on by the Senate.

**8. Banking Development District Annual Reports
A.8236 (Nolan)**

The purpose of a banking development district is to enhance access to banking services for under-banked communities, and to promote local economic development. This bill would allow the Legislature and other interested parties to evaluate banks' success in serving their respective communities, and would facilitate an overall evaluation of the program throughout the State.

This bill would require each bank branch established pursuant to the Banking Development District program to report annually to the Legislature, with respect to the purpose, policies and activities of such branch as it relates to fulfilling the purpose of a banking development district.

This bill passed the Assembly but was not acted on by the Senate.

C. CONSUMER PRODUCTS, PROTECTION AND CONVENIENCE

1. New York State Counterfeit Check Awareness Act

A.6808-A (Nolan) /S.4580 (Fuschillo)

Chapter 268

Sophisticated check forgery scams have become a serious problem. Check cashing establishments and other financial institutions have been victimized by criminals forging payroll and other checks and presenting them for cashing. Checks from a number of well-known businesses have been forged as well as city and state disability checks. If the checks are not identified by the check cashers as being counterfeit, the check cashers incur the cost.

This new law will require the Superintendent of Banks to provide a printed notice in plain language to all licensed check cashers. The notice will inform the public that cashing a forged check is illegal and that those who knowingly cash forged checks will be prosecuted. All licensees must post the notice in a prominent place so that it is clearly visible to all patrons.

2. Certificate of Deposit Maturity Notices

A.163-A (Lafayette)

Currently, when a certificate of deposit matures, notice is sent regarding the maturing and renewal of the funds. However, these notices may fail to specify the amount of money in the account at maturity, the interest currently being earned and the names of the account holders and beneficiaries of such account. The lack of this information can cause confusion or prevent people from making an informed decision about what to do with their money.

This bill would require maturity notices to include information regarding the amount in the account at maturity, the rate of interest being earned, and the names of all account holders and beneficiaries.

This bill passed the Assembly but was not acted on by the Senate.

3. Interest and Dividends

A.164 (Lafayette) /S.1253 (Sabini)

Currently, when a consumer closes a bank account the compounded interest is held by some banks until the next quarter. The consumer should be able to receive their interest on the day they withdraw the money from the account.

This bill would prohibit banks, trust companies, savings banks and savings and loan associations that credit interest on day of deposit to day of withdrawal accounts from withholding any interest or dividends if the account is closed prior to either the end of the calendar quarter or another regular applicable interest or dividend period.

This bill also would provide that interest or dividends earned would be earned on a daily basis.

This bill passed the Assembly but was not acted on by the Senate.

**4. Credit Unions and the Banking Development District Program
A.166-A (Lafayette)**

The Legislature created the Banking Development District (BDD) program in 1997 to encourage banks to establish branches in areas that demonstrate a need for enhanced banking services. This bill would allow state and federal credit unions to participate in the BDD program. By enabling credit unions to participate in this program, there would be more opportunities for municipalities to work with different types of banking institutions in order to encourage better banking services in developing communities.

This bill passed the Assembly but was not acted on by the Senate.

**5. Inactivity Fee Notification
A.349 (Bradley)**

When financial institutions provide notices that inactivity fees are to be charged to customers' accounts, they also should provide customers with contact information adequate to enable customers to resolve any inaccuracies contained within such notices.

This bill would ensure that customers have adequate contact information by requiring written notices to include a telephone number and full contact information for a representative of the financial institution responsible for resolving any matter relating to the fee. This bill also would require financial institutions to notify customers in writing thirty days prior to charging a fee based on account inactivity.

This bill passed the Assembly but was not acted on by the Senate.

**6. Preventing Excessive Inactivity Fees
A.350 (Bradley)**

Under current law, financial institutions can charge customers inactivity fees which bear no relation to the costs incurred by financial institutions in maintaining inactive accounts.

This bill would prevent financial institutions from charging a fee in excess of five dollars per year to a customer based on account inactivity. By doing so, this bill would prevent financial institutions from unfairly using inactivity fees for profit.

This bill passed the Assembly but was not acted on by the Senate.

**7. Increased Withdrawal Transactions for Senior Citizens
A.1893 (Clark)**

As part of the Banking Deregulation Act of 1994, state chartered banks were required to offer "lifeline" basic checking which allowed consumers eight free withdrawal transactions, (including checks, bank withdrawals, and withdrawals from a bank's own ATM), during any one month billing cycle. The lifeline account was designed to assist the poorest residents of the State who are required to use banks to receive their Social Security and supplemental security income (SSI) payments electronically. However, senior citizens, who make up the largest group who use banks for receipt of federal benefits, are also the group that is least likely to afford the additional expenses required to maintain a bank account. In many instances, seniors must make more than eight withdrawal transactions per month to cover out of pocket medical expenses and unexpected events. Providing an increase for seniors is reasonable and would allow senior citizens living on fixed incomes to avoid banking fees.

This bill would increase the amount of withdrawal transactions allowed at no additional charge from eight to twelve for basic banking account holders that are sixty-five years of age or older.

This bill passed the Assembly but was not acted on by the Senate.

**8. Providing Equal Access to ATMs
A.4082-A (Weisenberg)**

People are relying increasingly on automated teller machines (ATMs) as a method for doing daily banking tasks. While many ATMs currently have Braille labels indicating the functions of some buttons, most machines do not have any non-visual method for reading or relaying the sequence of messages that appear on the screen. All individuals should have an equal opportunity to access these machines.

This bill would require any automated teller machine (ATM) installed on or after the effective date of this bill to transmit any message through both visual and audio transmission systems. This bill also would require any ATM installed prior to the effective date of this bill, whenever an upgrade or replacement is necessary for that machine, to be upgraded or replaced in such a manner that messages can be transmitted through both visual and audio transmission systems.

This bill passed the Assembly but was not acted on by the Senate.

**9. New York State Banking Payroll Card Protection Act
A.5456 (Nolan)**

Employers are now using payroll cards as a cost effective method of paying wages. The cards are issued to employees who then use them to make periodic withdrawals from banks for an amount equal to their pay. The purpose of this bill is to establish procedures governing the issuance of payroll cards to employees. This bill would clarify rights and obligations regarding fees, costs, statements and other issues related to the use of payroll cards.

This bill passed the Assembly but was not acted on by the Senate.

**10. Home Equity Theft Prevention Act
A.7667-A (Nolan) /S.4744 (Farley)**

This bill seeks to address the growing problem of deed theft and home equity theft scams. Many homeowners who are in default or who are facing foreclosure are being approached by persons or businesses who promise to help them “save” their home. Unfortunately, many of these promises are actually scams which manipulate homeowners into transferring the title to their property. These unscrupulous entities take advantage of persons when they are feeling desperate and overwhelmed by their financial troubles. These homeowners are especially vulnerable to persons who promise to solve their problems and save their homes. However, the reality is that they are being misled and manipulated into turning over their property, enabling the scam artists to effectively steal the equity which the consumer had built up in their home.

This bill would provide protections for homeowners in default or foreclosure who sell their homes, including: requiring that any sales agreement between an equity seller and an equity purchaser be in writing; prohibiting equity purchasers from engaging in deceitful practices; and, affording homeowners a reasonable opportunity to rescind sales to equity purchasers.

This bill passed the Assembly but was not acted on by the Senate.

**11. Acquisition or Merger Notifications
A.7813-A (Rivera, N.)**

Due to the inconvenience experienced when bank accounts are disrupted by bank acquisitions and mergers, banks should take sufficient measures to notify account holders of any actions which may be required to avoid difficulties in relation to their accounts.

This bill would require that banks acquired by or merged with any other banking institution notify all account holders by mail. Account holders having a net account balance of at least \$2,000 would be notified by telephone as well. This

bill also stipulates that access to accounts may not be interrupted without proof of such notification.

This bill passed the Assembly but was not acted on by the Senate.

D. VETOES

1. Banking Development District Program Applications A.7699 (Nolan)

The Legislature created the Banking Development District Program in 1997 to encourage banks to establish branches in areas that demonstrate a need for enhanced banking services. In 2004, the Legislature acted to extend this program for an additional seven years. This bill recognizes the Legislature's role in this program by allowing the Legislature to receive more timely notification of applications received by the Superintendent of Banks for the purpose of establishing new banking development districts.

This bill would require that the Superintendent of Banks, upon receiving an application for designation of a banking development district, immediately transmit copies of such application to the Temporary President of the Senate, the Speaker of the Assembly, and the chairs of the Senate and Assembly Committees on Banks.

E. HEARINGS

During the 2005 Legislative Session, the Committee held a total of five public hearings on issues of importance to the banking industry and New York State consumers.

1. Identity Theft

In April, the Banks Committee convened a hearing on identity theft. Identity theft takes many forms, including the theft of a banking customer's account information at ATMs, attempts to cash counterfeit checks, 'phishing' (the use of fraudulent e-mails and websites in an attempt to fool recipients into revealing their financial information), and accessing a person's credit by stealing his or her credit card number. Every year, identity thieves scam consumers out of millions of dollars. This hearing explored potential legislative solutions to these concerns, and also examined several Assembly bills that were designed to address these problems.

2. Refund Anticipation Loans

In May, the Banks Committee convened a hearing on refund anticipation loans (RALs). RALs are short-term, high-cost loans secured by and repaid from the proceeds of a customer's tax refund from the Internal Revenue Service. RAL customers are enticed by the opportunity to receive their tax refunds "instantly," and in the process they often overlook the extent to which RAL fees and finance charges erode the full refunds they are due. This hearing examined the impact that RALs have on the public, and also discussed the protections offered in several Assembly bills.

3. Home Equity Theft

The Banks Committee convened a second public hearing in May, which examined home equity theft scams. There has been an alarming increase lately in homeowners falling victim to home equity theft scams. These homeowners, many of whom are low- and middle-income or elderly, fall behind on their mortgages, at which point they are approached by unscrupulous individuals or businesses who promise to help solve their problems. Instead of receiving assistance, however, the homeowners are misled into transferring the title to their property. This hearing explored these scams and addressed the protections offered in Assembly bill A.7667-A (Nolan), which later passed the Assembly.

4. Banking Development District Program

The third public hearing convened by the Banks Committee in May dealt with the Banking Development District (BDD) program. The BDD program gives incentives to commercial banks and thrift institutions to open branches in underserved banking areas. This hearing addressed aspects of this program and Assembly bills A.7699 (Nolan), A.8235 (Nolan) and A.8236 (Nolan) – each of which later passed the Assembly.

5. Banking Department Budget Oversight Hearing

One of the responsibilities of the Assembly Banks Committee is to examine the impact of the State budget on the implementation and administration of programs within the Committee's jurisdiction. In December, the Banks Committee convened a public hearing in order to evaluate the impact of the 2005-2006 State budget on Banking Department programs.

**APPENDIX A
SUMMARY OF ACTION ON ALL BILLS
REFERRED TO THE COMMITTEE ON BANKS**

| <u>Final Action</u> | <u>Assembly Bills</u> | <u>Senate Bills</u> | <u>Total Bills</u> |
|---|---------------------------|-------------------------|------------------------|
| <u>Bills Reported With or Without Amendment</u> | | | |
| To Floor; Not Returning to Committee | 20 | | 20 |
| To Floor; Recommitted and Died | 0 | | 0 |
| To Ways and Means Committee | 8 | | 8 |
| To Codes Committee | 16 | | 16 |
| To Rules Committee | 5 | | 5 |
| Total | 49 | | 49 |
| <u>Bills Having Committee Reference Changed</u> | | | |
| To Small Business | 1 | | 1 |
| Total | 1 | | 1 |
| <u>Senate Bills Substituted or Recalled</u> | | | |
| Substituted | | 5 | 5 |
| Recalled | | 1 | 1 |
| Total | | 6 | 6 |
| <u>Bills Defeated in Committee</u> | | | |
| <u>Bills Never Reported, Held in Committee</u> | 75 | 12 | 87 |
| <u>Bills Never Reported, Died in Committee</u> | | | |
| <u>Bills Having Enacting Clauses Stricken</u> | | | |
| <u>Motions to Discharge Lost</u> | | | |
| Total Bills in Committee | 125 | 18 | 143 |
| Total Number of Committee Meetings Held: | 10 | | |

**APPENDIX B
SUMMARY OF FINAL ACTION ON BILLS
REPORTED BY THE BANKS COMMITTEE**

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---------------------|---|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.163-A Lafayette | | Passed Assembly | Provides that maturity notices shall include an itemized listing of the dollar amount in the account, the holder's name and the interest being earned. |
| A.164 Lafayette | S.1253 Sabini | Passed Assembly | Requires interest to be credited on a daily basis and forbids forfeiture or penalty for early withdrawal to day of deposit and day of withdrawal accounts. |
| A.166-A Lafayette | | Passed Assembly | Includes credit unions and federal credit unions within the definition of bank, trust company or national bank for the purpose of the Banking Development District program. |
| A.349 Bradley | | Passed Assembly | Requires financial institutions to notify a customer prior to charging a fee based on account inactivity. |
| A.350 Bradley | | Passed Assembly | Prohibits financial institutions from charging a fee in excess of five dollars per year to a customer based on account inactivity. |
| A.411 Lavelle | S.128 Trunzo | Passed Assembly | Relates to the use of powers of attorney in banking transactions. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.415 Markey | S.573 Maltese | Passed Assembly | Enables senior citizens to cash social security checks without maintaining an account at the bank honoring such check. |
| A.1203 Nolan | | Passed Assembly | Relates to the appointment of members to the banking board. |
| A.1204-A Nolan | | Passed Assembly | Requires the Superintendent of Banks to report a statement of condition for the overseas office in London. |
| A.1205-A Nolan | S.3288 Farley | Passed Assembly | Provides for the creation of the Community Development Financial Institutions Fund and for its functions, powers, and duties. |
| A.1360-A Nolan | | Passed Assembly | Provides for the registration of cash-dispensing machines operated by entities other than banking organizations, and for an improving financial literacy fund. |
| A.1362 Nolan | | Advanced to Third Reading Calendar | Requires banking institutions to designate one banking facility per county as accessible to the visually impaired. |
| A.1523 Nolan | | Referred to Assembly Ways and Means Committee | Exempts credit unions from sales and compensating use taxes on tangible personal property, services, food and drink, occupancies, and amusement charges. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|--|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.1525-A Nolan | | Referred to Assembly Codes Committee | Requires any banking institution that owns or licenses data including personal identifying information to disclose a breach of security; allows for a security freeze. |
| A.1748-A McDonough | | Referred to Assembly Codes Committee | Provides for the remaining balance of mortgage and loans to be printed on the periodic billing statement. |
| A.1893 Clark | | Passed Assembly | Increases number of withdrawal transactions from basic banking accounts for account holders over sixty years of age to twelve from eight. |
| A.1911 Nolan, Silver | S.2479 Saland | Chapter 249 | Requires the Superintendent of Banks to report annually with respect to the policies and activities of the Holocaust Claims Processing Office. |
| A.1912 Nolan, Silver | S.2477 Saland | Passed Assembly | Provides that account holders be notified of the Holocaust Claims Processing Office. |
| A.2152 Lafayette | S.7148 Volker | Passed Assembly | Prohibits home improvement contractors from acting on behalf of mortgage brokers. |
| A.2326 Nolan, Silver | S.2478 Saland | Passed Assembly | Creates the New York State Banking Holocaust Advisory Board. |
| A.3038 Seminario | | Referred to Assembly Codes Committee | Provides that the Superintendent of Banks may impose penalties on banking organizations or foreign banking corporations for certain violations. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|--------------------------------------|---|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.3736 Perry | | Advanced to Third Reading Calendar | Prohibits employer withdrawal from direct deposit account without notice to and permission from account owner. |
| A.3762 Lafayette | | Advanced to Third Reading Calendar | Provides for initial disclosure in the loan certificate of periodic changes in the annual percentage rate of residential mortgage loan at intervals determined by the Banking Department. |
| A.3800 Perry | | Advanced to Third Reading Calendar | Requires banks to post information about basic banking services. |
| A.4076 Seminerio | | Referred to Assembly Codes Committee | Provides for a maximum charge by a bank of \$7.50 for checks or other instruments drawn on insufficient or uncollected funds. |
| A.4082 Weisenberg | | Passed Assembly | Requires ATMs to use both audio and visual systems of relaying messages to its customers. |
| A.4540-C Nolan | S.48-B DeFrancisco | Chapter 467 | Relates to the discharge of a certificate of mortgage and enacts penalty for failure to forward copy to mortgagor within thirty days. |
| A.4956-B Nolan | S.2003-B Balboni | Referred to Assembly Codes Committee | Regulates mortgage loan originators, requires registration, education requirements, and provides for suspension and revocation of a license. |
| A.5456 Nolan | | Passed Assembly | Establishes the New York State Banking and Payroll Card Protection Act. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---------------------------------------|---|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.5879 Stringer | S.2991 Padavan | Advanced to Third Reading Calendar | Requires banks operating ATM facilities to equip such facilities with 911 or E-911 emergency access buttons wherever such emergency service is available. |
| A.6273 Titus | S.4680 Farley | Passed Assembly | Enacts the New York State Money Transmission Disclosure Act; requires each licensee providing a transmission transaction which involves currency of one country into the currency of another country to provide the customer with a written disclosure. |
| A.6490 Nolan | S.1742 Balboni | Passed Assembly | Fixes the date of cancellation of financed insurance to be effective at 12:01 A.M. following the date of cancellation and provides for a mechanism for cancellation by electronic means. |
| A.6808-A Nolan | S.4580 Fuschillo | Chapter 268 | Creates the New York State Counterfeit Check Awareness Act. |
| A.7288 Nolan | | Passed Assembly | Sets forth procedures for licensed lenders and payday loans by military borrowers. |
| A.7388 Nolan | S.4522 Farley | Chapter 82 | Makes certain technical corrections to provisions relating to banking corporations. |
| A.7420 Nolan | | Passed Assembly | Establishes the financial literacy for military families program which is managed by the Banking Department. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---------------------|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.7509 DiNapoli | S.4361 Skelos | Chapter 372 | Makes technical corrections to Chapter 318 of the Laws of 2004, authorizing a certain joint venture to operate as an investment company; prohibits such joint venture from exercising any additional powers without the prior approval of the Superintendent of Banks. |
| A.7667-A Nolan | S.4744 Farley | Passed Assembly | Enacts the Home Equity Theft Prevention Act; to insure, foster and encourage fair dealing in the sale and purchase of homes in foreclosure or default. |
| A.7699 Nolan | | Vetoed Memo. 30 | Requires copies of applications submitted for designation of a banking development district to be transmitted to the Temporary President of the Senate and the Speaker of the Assembly. |
| A.7813-A Rivera, N. | | Passed Assembly | Requires that financial institutions provide notice to customers of mergers and/or acquisitions. |
| A.8064 Nolan | S.4755 Farley | Chapter 345 | Authorizes the State Comptroller to accept a federal home loan bank letter of credit as collateral for a deposit of state funds. |
| A.8209-A Nolan | S.4388-A Farley | Chapter 122 | Extends the provisions of Chapter 223 of the Laws of 1996, amending the Banking Law relating to permissible fees in connection with open end loans, until June 30, 2007. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|--|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.8227 Nolan | S.5081 Farley | Chapter 705 | Creates the State Charter Deposit Program to authorize the Comptroller and the Commissioner of Taxation and Finance to deposit a certain portion of state funds under their control into state-chartered community banking institutions. |
| A.8235 Nolan | | Passed Assembly | Requires the Superintendent of Banks to convene a public hearing no later than thirty days after a local government submits an application for the designation of a banking development district; requires the Legislature to be invited to the hearing. |
| A.8236 Nolan | | Passed Assembly | Requires each branch established in a banking development district to report annually to the Legislature a statement of condition. |
| A.8396 Zebrowski | | Referred to Assembly Rules Committee | Relates to the continuance of escrow accounts by mortgage investing institutions after the final payment of mortgage loans by mortgagors. |
| A.8472 Boyland | S.4050 Farley | Chapter 233 | Clarifies the application of certain requirements upon the conduct of business by licensed cashers of checks. |
| A.8474 Rules (Nolan) | S.4048 Farley | Chapter 232 | Relates to establishing standards for agents by prohibiting the use of subagents. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.8796-A Rules (Nolan) | S.5806 Farley | Reported to Assembly Rules Calendar | Allows the superintendent of banks to modify examination intervals, service of process upon foreign bank branches, executive officers of savings banks and savings and loan associations to the extent he or she deems appropriate; further, authorizes the Superintendent to impose certain orders and penalties, the merging of non-bank subsidiaries or affiliates into banking institutions. |

**APPENDIX B
SUMMARY OF FINAL ACTION ON BILLS
REPORTED BY THE BANKS COMMITTEE**

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---------------------|---|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.163-A Lafayette | | Passed Assembly | Provides that maturity notices shall include an itemized listing of the dollar amount in the account, the holder's name and the interest being earned. |
| A.164 Lafayette | S.1253 Sabini | Passed Assembly | Requires interest to be credited on a daily basis and forbids forfeiture or penalty for early withdrawal to day of deposit and day of withdrawal accounts. |
| A.166-A Lafayette | | Passed Assembly | Includes credit unions and federal credit unions within the definition of bank, trust company or national bank for the purpose of the Banking Development District program. |
| A.349 Bradley | | Passed Assembly | Requires financial institutions to notify a customer prior to charging a fee based on account inactivity. |
| A.350 Bradley | | Passed Assembly | Prohibits financial institutions from charging a fee in excess of five dollars per year to a customer based on account inactivity. |
| A.411 Lavelle | S.128 Trunzo | Passed Assembly | Relates to the use of powers of attorney in banking transactions. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
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| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.415 Markey | S.573 Maltese | Passed Assembly | Enables senior citizens to cash social security checks without maintaining an account at the bank honoring such check. |
| A.1203 Nolan | | Passed Assembly | Relates to the appointment of members to the banking board. |
| A.1204-A Nolan | | Passed Assembly | Requires the Superintendent of Banks to report a statement of condition for the overseas office in London. |
| A.1205-A Nolan | S.3288 Farley | Passed Assembly | Provides for the creation of the Community Development Financial Institutions Fund and for its functions, powers, and duties. |
| A.1360-A Nolan | | Passed Assembly | Provides for the registration of cash-dispensing machines operated by entities other than banking organizations, and for an improving financial literacy fund. |
| A.1362 Nolan | | Advanced to Third Reading Calendar | Requires banking institutions to designate one banking facility per county as accessible to the visually impaired. |
| A.1523 Nolan | | Referred to Assembly Ways and Means Committee | Exempts credit unions from sales and compensating use taxes on tangible personal property, services, food and drink, occupancies, and amusement charges. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
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| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.1525-A Nolan | | Referred to Assembly Codes Committee | Requires any banking institution that owns or licenses data including personal identifying information to disclose a breach of security; allows for a security freeze. |
| A.1748-A McDonough | | Referred to Assembly Codes Committee | Provides for the remaining balance of mortgage and loans to be printed on the periodic billing statement. |
| A.1893 Clark | | Passed Assembly | Increases number of withdrawal transactions from basic banking accounts for account holders over sixty years of age to twelve from eight. |
| A.1911 Nolan, Silver | S.2479 Saland | Chapter 249 | Requires the Superintendent of Banks to report annually with respect to the policies and activities of the Holocaust Claims Processing Office. |
| A.1912 Nolan, Silver | S.2477 Saland | Passed Assembly | Provides that account holders be notified of the Holocaust Claims Processing Office. |
| A.2152 Lafayette | S.7148 Volker | Passed Assembly | Prohibits home improvement contractors from acting on behalf of mortgage brokers. |
| A.2326 Nolan, Silver | S.2478 Saland | Passed Assembly | Creates the New York State Banking Holocaust Advisory Board. |
| A.3038 Seminario | | Referred to Assembly Codes Committee | Provides that the Superintendent of Banks may impose penalties on banking organizations or foreign banking corporations for certain violations. |

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| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.3736 Perry | | Advanced to Third Reading Calendar | Prohibits employer withdrawal from direct deposit account without notice to and permission from account owner. |
| A.3762 Lafayette | | Advanced to Third Reading Calendar | Provides for initial disclosure in the loan certificate of periodic changes in the annual percentage rate of residential mortgage loan at intervals determined by the Banking Department. |
| A.3800 Perry | | Advanced to Third Reading Calendar | Requires banks to post information about basic banking services. |
| A.4076 Seminerio | | Referred to Assembly Codes Committee | Provides for a maximum charge by a bank of \$7.50 for checks or other instruments drawn on insufficient or uncollected funds. |
| A.4082 Weisenberg | | Passed Assembly | Requires ATMs to use both audio and visual systems of relaying messages to its customers. |
| A.4540-C Nolan | S.48-B DeFrancisco | Chapter 467 | Relates to the discharge of a certificate of mortgage and enacts penalty for failure to forward copy to mortgagor within thirty days. |
| A.4956-B Nolan | S.2003-B Balboni | Referred to Assembly Codes Committee | Regulates mortgage loan originators, requires registration, education requirements, and provides for suspension and revocation of a license. |
| A.5456 Nolan | | Passed Assembly | Establishes the New York State Banking and Payroll Card Protection Act. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
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| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.5879 Stringer | S.2991 Padavan | Advanced to Third Reading Calendar | Requires banks operating ATM facilities to equip such facilities with 911 or E-911 emergency access buttons wherever such emergency service is available. |
| A.6273 Titus | S.4680 Farley | Passed Assembly | Enacts the New York State Money Transmission Disclosure Act; requires each licensee providing a transmission transaction which involves currency of one country into the currency of another country to provide the customer with a written disclosure. |
| A.6490 Nolan | S.1742 Balboni | Passed Assembly | Fixes the date of cancellation of financed insurance to be effective at 12:01 A.M. following the date of cancellation and provides for a mechanism for cancellation by electronic means. |
| A.6808-A Nolan | S.4580 Fuschillo | Chapter 268 | Creates the New York State Counterfeit Check Awareness Act. |
| A.7288 Nolan | | Passed Assembly | Sets forth procedures for licensed lenders and payday loans by military borrowers. |
| A.7388 Nolan | S.4522 Farley | Chapter 82 | Makes certain technical corrections to provisions relating to banking corporations. |
| A.7420 Nolan | | Passed Assembly | Establishes the financial literacy for military families program which is managed by the Banking Department. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---------------------|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.7509 DiNapoli | S.4361 Skelos | Chapter 372 | Makes technical corrections to Chapter 318 of the Laws of 2004, authorizing a certain joint venture to operate as an investment company; prohibits such joint venture from exercising any additional powers without the prior approval of the Superintendent of Banks. |
| A.7667-A Nolan | S.4744 Farley | Passed Assembly | Enacts the Home Equity Theft Prevention Act; to insure, foster and encourage fair dealing in the sale and purchase of homes in foreclosure or default. |
| A.7699 Nolan | | Vetoed Memo. 30 | Requires copies of applications submitted for designation of a banking development district to be transmitted to the Temporary President of the Senate and the Speaker of the Assembly. |
| A.7813-A Rivera, N. | | Passed Assembly | Requires that financial institutions provide notice to customers of mergers and/or acquisitions. |
| A.8064 Nolan | S.4755 Farley | Chapter 345 | Authorizes the State Comptroller to accept a federal home loan bank letter of credit as collateral for a deposit of state funds. |
| A.8209-A Nolan | S.4388-A Farley | Chapter 122 | Extends the provisions of Chapter 223 of the Laws of 1996, amending the Banking Law relating to permissible fees in connection with open end loans, until June 30, 2007. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|--|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.8227 Nolan | S.5081 Farley | Chapter 705 | Creates the State Charter Deposit Program to authorize the Comptroller and the Commissioner of Taxation and Finance to deposit a certain portion of state funds under their control into state-chartered community banking institutions. |
| A.8235 Nolan | | Passed Assembly | Requires the Superintendent of Banks to convene a public hearing no later than thirty days after a local government submits an application for the designation of a banking development district; requires the Legislature to be invited to the hearing. |
| A.8236 Nolan | | Passed Assembly | Requires each branch established in a banking development district to report annually to the Legislature a statement of condition. |
| A.8396 Zebrowski | | Referred to Assembly Rules Committee | Relates to the continuance of escrow accounts by mortgage investing institutions after the final payment of mortgage loans by mortgagors. |
| A.8472 Boyland | S.4050 Farley | Chapter 233 | Clarifies the application of certain requirements upon the conduct of business by licensed cashers of checks. |
| A.8474 Rules (Nolan) | S.4048 Farley | Chapter 232 | Relates to establishing standards for agents by prohibiting the use of subagents. |

| FINAL ACTION ON BILLS REPORTED BY THE BANKS COMMITTEE | | | |
|--|----------------------------------|---|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.8796-A Rules (Nolan) | S.5806 Farley | Reported to Assembly Rules Calendar | Allows the superintendent of banks to modify examination intervals, service of process upon foreign bank branches, executive officers of savings banks and savings and loan associations to the extent he or she deems appropriate; further, authorizes the Superintendent to impose certain orders and penalties, the merging of non-bank subsidiaries or affiliates into banking institutions. |

APPENDIX C
LIST OF LAWS ENACTED DURING THE
2005 LEGISLATIVE SESSION

| LIST OF LAWS ENACTED DURING THE 2005 LEGISLATIVE SESSION | | | |
|---|----------------------------------|---------------------|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.1911 Nolan, Silver | S.2479 Saland | Chapter 249 | Requires the Superintendent of Banks to report annually with respect to policies and activities of the Holocaust Claims Processing Office. |
| A.4540-C Nolan | S.48-B DeFrancisco | Chapter 467 | Relates to the discharge of a certificate of mortgage and enacts penalty for failure to forward copy to mortgagor within thirty days. |
| A.6808-A Nolan | S.4580 Fuschillo | Chapter 268 | Creates the New York State Counterfeit Check Awareness Act. |
| A.7388 Nolan | S.4522 Farley | Chapter 82 | Makes certain technical corrections to provisions relating to the powers of banks to make loans and correcting certain internal references regarding savings and loan associations. |
| A.7509 DiNapoli | S.4361 Skelos | Chapter 372 | Makes technical corrections to Chapter 318 of the Laws of 2004, authorizing a certain joint venture to operate as an investment company; prohibits such joint venture from exercising any additional powers without the prior approval of the Superintendent of Banks. |
| A.8064 Nolan | S.4755 Farley | Chapter 345 | Authorizes the State Comptroller to accept a federal home loan bank letter of credit as collateral for a deposit of state funds. |

| LIST OF LAWS ENACTED DURING THE 2005 LEGISLATIVE SESSION | | | |
|---|----------------------------------|---------------------|--|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.8209-A Nolan | S.4388-A Farley | Chapter 122 | Extends the provisions of Chapter 223 of the Laws of 1996, amending the Banking Law relating to permissible fees in connection with open end loans, until June 30, 2007. |
| A.8227 Nolan | S.5081 Farley | Chapter 705 | Creates the State Charter Deposit Program to authorize the Comptroller and the Commissioner of Taxation and Finance to deposit a certain portion of state funds under their control into state-chartered community banking institutions. |
| A.8472 Boyland | S.4050 Farley | Chapter 233 | Clarifies the application of certain requirements upon the conduct of business by licensed cashers of checks. |
| A.8474 Rules (Nolan) | S.4048 Farley | Chapter 232 | Relates to establishing standards for agents by prohibiting the use of subagents. |

**APPENDIX D
LIST OF BILLS VETOED DURING THE
2005 LEGISLATIVE SESSION**

| LIST OF BILLS VETOED DURING THE 2005 LEGISLATIVE SESSION | | | |
|---|----------------------------------|---------------------|---|
| ASSEMBLY BILL # SPONSOR | SENATE BILL # SPONSOR | FINAL ACTION | DESCRIPTION |
| A.7699 Nolan | | Vetoed Memo. 30 | Requires copies of applications submitted for designation of a banking development district to be transmitted to the Temporary President of the Senate and the Speaker of the Assembly. |