

NEW YORK STATE ASSEMBLY

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Committee on  
Banks

Carl E. Heastie • Speaker  
Patricia A. Fahy • Chair



ANNUAL REPORT



PATRICIA A. FAHY  
Assemblymember 109<sup>th</sup> District

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ALBANY

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Task Force on Women's Issues

December 15, 2022

The Honorable Carl E. Heastie  
Speaker of the Assembly  
State Capitol, Room 349  
Albany, NY 12248

Dear Speaker Heastie:

I am pleased to submit the 2022 Annual Report for the Assembly Standing Committee on Banks.

The 2022 Annual Report includes details of the Committee's 2022 legislative work and other initiatives undertaken during the year, as well as important developments since the close of session. Additionally, the Report provides the Committee's outlook for the 2023 legislative session where we will continue to protect consumers' financial interests and rights while helping to improve and grow the banking industry across the State.

While the coronavirus pandemic continued to impact the 2022 legislative session, the Banks Committee made significant progress in addressing the needs of New Yorkers as the economy transitioned from shutdown to reopening. The Committee reported legislation to study on underbanked and unbanked New Yorkers and produce solutions to banking access, as well as a commission to study cryptocurrency and blockchain.

I want to offer tremendous thanks to my fellow members of the Assembly Banks Committee for all of the time and work that they put in to serving the interests of the residents of our State during this challenging year. I would also like to thank the Committee staff for their hard work and dedication.

Finally, I greatly appreciate your leadership and collaboration and look forward to a productive session in 2023.

Respectfully,

Assemblymember Patricia Fahy  
109<sup>th</sup> District

**2022 ANNUAL REPORT  
NEW YORK STATE ASSEMBLY  
STANDING COMMITTEE ON BANKS**

**Patricia A. Fahy**  
Chair

**Banks Committee Members**

**Majority**

N. Nick Perry  
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David Weprin  
Rodneyse Bichotte Hermelyn  
Kimberly Jean-Pierre  
Rebecca Seawright  
Inez Dickens  
Carmen De La Rosa  
Clyde Vanel  
Yuh-Line Niou  
Al Taylor  
Brian Barnwell  
Steve Stern  
Andrew Hevesi  
Nader Sayegh  
Patrick Burke  
Marianne Buttenschon  
Khaleel Anderson  
Marcela Mitaynes  
Amanda Septimo  
Brian Cunningham  
Manny De Los Santos  
Yudelka Tapia

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Ranking Minority Member  
Joe Angelino  
Michael Fitzpatrick  
John Lemondes  
John K Mikulin  
Brian Manktelow  
Robert Smullen  
Mike Lawler

**Staff**

Aubree Heydrick, Assistant Secretary for Program and Policy  
Nathan Kerstein, Associate Counsel  
Peter Hoffman, Analyst  
Alexander Flood, Committee Clerk  
Sierra Stevenson, Program and Counsel Secretary

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## **I. Introduction**

The New York State Assembly Standing Committee on Banks was established to review and initiate legislation that affects financial institutions that operate in 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 Banking Law jurisdiction include banks, credit unions, savings banks, savings and loan associations, licensed lenders, licensed cashers of checks, money transmitters, trust companies, safe deposit companies, bank holding companies, sales finance companies, budget planners, mortgage brokers, mortgage bankers, insurance premium finance agencies, and foreign and private banks. Other entities that engage with NY customers in a financial capacity may also be covered by NY State law and the Banking Committee's purview.

The Banks Committee considers bills to address a broad range of banking concerns, from the perspective of both the industry and consumers. We are aware of the need to maintain a competitive balance among financial institutions, protect customers' interests, provide housing finance, and modify banking regulations and administration.

During the 2022 legislative session, the Banks Committee considered 96 bills. The Committee reported 12 of these bills favorably; 2 passed the Assembly; 8 were signed into law and 2 were vetoed.

## **II. Major Issues of 2022**

### **Underbanked Communities**

#### **Study on underbanked Communities in New York A.8293 (Fahy) / S.1684 (Sanders)**

This bill would direct the Department of Financial Services to undertake a study of the location, demographics, and causes of underbanked communities and households in New York State and provide recommendations to expand access to financial services. Such study and recommendations shall be reported to the Governor and the Legislature within 12 months.

#### *Chapter 183*

### **Cryptocurrency**

#### **Establishes the New York state cryptocurrency and blockchain study task force A.9275 (Vanel) / S.8343 (Sanders)**

This bill would establish the New York state cryptocurrency and blockchain study task force to conduct a 2-year study on the use, regulation, and environmental impact of cryptocurrencies and their ancillary systems, including blockchain technology.

#### *Veto memo 60*

### **Consumer Issues**

#### **Requires a written notification of overdraft fees charged to certain account holders A.9659 (Fahy) / S.7202-a (Sanders)**

This bill would require that every 180 days a bank shall provide notice with a summary of all overdraft fees charged to an account and information on the account holder's ability to negotiate the overdraft charges.

#### *Veto memo 104*

### **III. Hearings**

#### **Examining the Accuracy and Effectiveness of the Consumer Credit Reporting System**

December 6<sup>th</sup>, 2022

In recent years, studies from the Federal Trade Commission (FTC) have shown that as many as one in four consumers may have a “material error” in their consumer credit reports. Far too often, correcting such errors involves an arduous process that leaves many consumers frustrated and penalized by mistakes made by the credit bureaus. Additional challenges over the last several years from the COVID-19 pandemic, and more recently from disrupted markets and soaring consumer prices, have exacerbated many of these difficulties for New Yorkers. The need to make credit reports and scores fairer and more transparent is becoming increasingly important as these reports are used in a variety of different ways and have a far-reaching impact on our daily lives, including decisions on loan applications, mortgages, interest rates, and employment. This hearing seeks to solicit input on the accuracy and effectiveness of consumer credit reports and examine ways in which New York State may improve and modernize the credit reporting system.

#### **IV. Banking Committee 2023 Outlook**

The Assembly Majority and the Banks Committee have been and will continue to pursue consumer protection initiatives to provide a fair playing field for both consumers and financial institutions. The Committee will continue to pursue an agenda that responds to the banking industry and consumers' needs and concerns.

During the upcoming 2023 legislative session, the Committee will further its efforts to ensure that every New Yorker has access to banking services, home loans, and fair and responsible business and personal credit products. The committee will continue its important work of removing impediments to the creation and retention of generational wealth in our rural and urban communities.

The Banks Committee will also continue to work on strengthening the New York State banking charter, not only for our state-chartered banks, but for other banking institutions that may be considering obtaining state charter in New York. New York is the financial capital of the United States, and a strong state banking charter is an important asset to its continued strength.

Appendices

APPENDIX A

SUMMARY OF ACTIONS ON ALL BILLS  
REFERRED TO THE COMMITTEE ON BANKS  
DURING THE 2022 LEGISLATIVE SESSION

**2022 SUMMARY SHEET**

**BILLS REPORTED FAVORABLE TO:**

Codes	1	0	1
Judiciary	0	0	0
Ways and Means	4	0	4
Rules	4	0	4
Floor	2	0	2
<b>TOTAL</b>	<b>11</b>	<b>0</b>	<b>11</b>

**COMMITTEE ACTION**

Held For Consideration	1	0	1
Defeated	0	0	0
Enacting Clause Stricken	0	0	0
<b>REMAINING IN COMMITTEE</b>	<b>60</b>	<b>11</b>	<b>71</b>

**BILLS REFERENCE CHANGED TO:**

<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**APPENDIX B**  
**SUMMARY OF FINAL ACTIONS ON BILLS**  
**REPORTED BY THE BANKS COMMITTEE**

<b>Assembly Bill Number (Sponsor)</b>	<b>Senate Bill Number (Sponsor)</b>	<b>Final Action</b>	<b>Description</b>
A.1082 (Abinanti)	S.7535-A (Sanders)	Chapter 830	Provides that a banking institution must cash checks drawn on said institution, if payee presents forms of valid identification; makes such institution guilty of a violation for refusal to cash such check after proper identification.
A.3495-B (Kim)	No Senate Sponsor	Passed Assembly	Directs the development of materials to be provided to employees relating to student loan repayment information.
A.5864-C (Stirpe)	No Senate Sponsor	Passed Assembly	Requires transmitters of money to provide a warning which informs consumers of certain fraudulent activities that may occur.
A.8292 (Fahy)	S.9348 (Sanders)	Chapter 380	Directs the superintendent of financial services to study overdraft fees and prepare a report to be delivered to the governor, the temporary president of the senate and the speaker of the assembly.
A.8293 (Fahy)	S.1684 (Sanders)	Chapter 183	Directs the department of financial services to conduct a study on underbanked communities and households in New York state and to make recommendations to improve access to financial services.
A.8771 (Perry)	S.7793 (Sanders)	Chapter 48	Relates to modifying delinquent home loans and single point of contact; provides such point of contact shall be provided to a borrower who is 30 days or more delinquent.
A.8782 (Dinowitz)	S.7724 (Biaggi)	Chapter 9	Relates to authorizing reverse cooperative apartment unit loans for persons sixty-two years of age or older; provides additional consumer protections.
A.9275 (Vanel)	S.8343 (Sanders)	Veto memo 60	Establishes the New York state cryptocurrency and blockchain study task force to provide the governor and the legislature with information on the effects of the widespread use of cryptocurrencies and other forms of digital currencies and their ancillary systems, including but not limited to blockchain technology, in the state.

**APPENDIX B - Cont.**

A.9338 (Eichenstein)	S.8318 (Myrie)	Chapter 493	Requires the superintendent of financial services to maintain and annually update a list of financial institutions that waive wire transfer or processing fees associated with Holocaust reparations payments.
A.9493-A (Stern)	S.8670-A (Brooks)	Chapter 698	Provides that a veteran seeking a housing loan under chapter 37 of title 38 of the United States Code be offered loan counseling services prior to the processing of such application by a banking institution or mortgage lender.
A.9659 (Fahy)	S.7202-A (Sanders)	Veto memo 104	Requires financial institutions to send a written notification of overdraft fees charged to account holders every 180 days.
A.9804 (Jean-Pierre)	S.9152 (Sanders)	Chapter 473	Relates to the assessment of the record of performance of mortgage bankers in helping to meet the credit needs of local communities.

**APPENDIX C**  
**SUMMARY OF LAWS ENACTED DURING THE**  
**2022 LEGISLATIVE SESSION**

<b>Assembly Bill Number (Sponsor)</b>	<b>Senate Bill Number (Sponsor)</b>	<b>Final Action</b>	<b>Description</b>
A.8292 (Fahy)	S.9384 (Sanders)	Chapter 380	Directs the superintendent of financial services to study overdraft fees and prepare a report to be delivered to the governor, the temporary president of the senate and the speaker of the assembly.
A.8293 (Fahy)	S.1684 (Sanders)	Chapter 183	Directs the department of financial services to conduct a study on underbanked communities and households in New York state and to make recommendations to improve access to financial services.
A.8771 (Perry)	S.7793 (Sanders)	Chapter 48	Relates to modifying delinquent home loans and single point of contact; provides such point of contact shall be provided to a borrower who is 30 days or more delinquent.
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A.9338 (Eichenstein)	S.8318 (Myrie)	Chapter 493	Requires the superintendent of financial services to maintain and annually update a list of financial institutions that waive wire transfer or processing fees associated with Holocaust reparations payments.
A.9804 (Jean-Pierre)	S.9152 (Sanders)	Chapter 473	Relates to the assessment of the record of performance of mortgage bankers in helping to meet the credit needs of local communities.