

New York City Banking Commission

Notice of Public Hearing and Opportunity to Comment on Proposed Rule

What are we proposing? This is an amendment to the New York City ("NYC") Banking Commission rules in relation to deposits of City funds at Banking Development District ("BDD") branches at below-market interest rates, and increases the total amount of City funds deposited at BDD branches at below-market interest rates from \$ 10 million per branch to \$ 20 million per branch.

When and where is the hearing? The New York City Department of Finance (DOF) will hold a public hearing on the proposed rule. The public hearing will take place at 11 AM on October 15, 2020. The hearing will be conducted remotely through Webex Event Center. To participate in the public hearing, enter the Webex URL <https://nycdof.webex.com>. If prompted to provide a password or number, please enter the following: Bank#102020. You can also participate in the hearing via phone by calling 646-992-2010. The meeting access code is 173 775 0268.

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to NYC Department of Finance through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to David Atik, atikd@finance.nyc.gov.
- **Mail.** You can mail comments to NYC Department of Finance, Legal Affairs Division, 375 Pearl Street, 30th Floor, New York, NY 10038, Attn: David Atik.
- **Fax.** You can fax comments to NYC Department of Finance, Attn: David Atik, at (212) 748-6982.
- **By speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by calling Joan Best at (212) 748-7214. You can also sign up in the hearing room before the hearing begins on October 15, 2020. You can speak for up to three minutes.

Is there a deadline to submit comments? The deadline for submitting written comments is October 15, 2020.

What if I need assistance to participate in the hearing? Please contact DOF's Office of Legal Affairs if you need a reasonable accommodation of a disability at the hearing. You must tell us if you need a sign language interpreter. You can make any accommodation request by mail at the address given above. You may also make such request by contacting Joan Best by telephone at (212) 748-7214; TTY (212) 504-4115, or by email at bestj@finance.nyc.gov. Advance notice is requested to allow sufficient time to arrange the accommodation. Please provide at least five business days' notice prior to the hearing to ensure availability.

This hearing has the following accessibility options available: Simultaneous transcription for people who are deaf or hard of hearing and audio-only access; American Sign Language

interpretation on video. For audio-only access, call 646-992-2010. The meeting access code is 173 775 0268.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. A few days after the hearing, copies of all comments submitted online, copies of all written comments, and a summary of oral comments concerning the proposed rule will be available to the public NYC Department of Finance, Legal Affairs Division, 375 Pearl Street, 30th Floor, New York, NY 10038.

What authorizes the Banking Commission to adopt this rule? New York State Banking Law section 96-d and General Municipal Law ("GML") 10(2)(c) create the Banking Development District ("BDD") program and authorize the Banking Commission to designate BDD branches that may accept deposits of City funds. GML 10(2)(c) further authorizes the Banking Commission to define, by resolution, the maximum amounts that can be deposited with BDD branches and to provide, by resolution, for below-market interest rates. New York City Charter ("Charter") sections 1043 and 1524 authorize the Banking Commission to adopt this proposed rule amendment.

Where can I find the Banking Commission's rules? The Banking Commission's rules can be found in Title 22 of the Rules of the City of New York.

What laws govern the rulemaking process? The Banking Commission must meet the requirements of § 1043 of the Charter when creating or amending rules. This notice is made according to the requirements of § 1043 of the Charter.

STATEMENT OF BASIS AND PURPOSE

In order to improve banking services in under-served communities, the Banking Commission is authorized under GML 10(2)(c) to designate BDD branches that may hold City funds, and to define the terms for these deposits. Such terms may include permission for such branches to provide a lower interest rate. The current limit is \$10 million per branch, as provided in a 2003 resolution. In order to further economic recovery following the COVID-19 pandemic, the Banking Commission wishes to increase the maximum amount that may be deposited to \$20 million per branch.

Section 1. Subdivision (e) of section 1-03 of Chapter 1 of Title 22 of the Rules of the City of New York is amended by adding a new paragraph 3 to read as follows:

(3) The total amount of City funds deposited at below-market rate (i.e. 50 basis points below current rate with a floor of 50 basis points) shall not exceed \$ 20 million per branch.

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Amendment of Banking Commission Rules

REFERENCE NUMBER: 2020 RG 078

RULEMAKING AGENCY: New York City Department of Finance

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Acting Corporation Counsel

Date: September 3, 2020

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Amendment of Banking Commission Rules

REFERENCE NUMBER: DOF-52

RULEMAKING AGENCY: Department of Finance

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro
Mayor's Office of Operations

September 4, 2020
Date