

REGULATORY AGENDA

BANKING DEPARTMENT

Second Half 2005

The New York State Banking Department is planning to seek comments on the following regulatory proposals:

1. Amendments to Part 14 of the General Regulations of the Banking Board (Investments in Corporations by Banks and Trust Companies) pertaining to investments by banks in subsidiary corporations, to cover various additional investments, such as investments in limited liability companies, joint ventures, trusts and minority-ownership investments; as well as review and possible updating of prior and after-the-fact notice procedures in Part 14.
2. Addition of new Part 315 to the Superintendent's Regulations to determine eligibility of a bank or trust company to participate in a community bank deposit program established by Article 15-A of the New York State Finance Law, which authorizes the State Comptroller and the State Commissioner of Taxation and Finance to deposit state funds in community banking institutions that evidence a high degree of service to their local communities, in order to enhance the ability of such institutions to engage in commercial lending and promote economic development within their communities.
3. Addition of new Part 305 to the Superintendent's Regulations to make applicable to various entities chartered, licensed or registered by the New York State Banking Department a suspicious activity reporting ("SAR") requirement under New York State law identical to that imposed by federal law.
4. Addition of new Parts 342 and 416 to the Superintendent's Regulations requiring the Department to consider money laundering compliance in all chartering, licensing, merger, change in control and branching applications filed with the Department.
5. Addition of new Parts 343 and 417 to the Superintendent's Regulations requiring institutions licensed or chartered by the Department to maintain Bank Secrecy Act and OFAC compliance programs.
6. Amendments to Part 406 of the Superintendent's Regulations (Money Transmitters) to provide standards for the use of agents and to expressly prohibit the use of subagents by licensed money transmitters.
7. Amendments to Part 38 of the General Regulations of the Banking Board (Definitions of Terms; Advertising; Application and Commitment Disclosures and Procedures; Improper Conduct under Article 12-D) to revise and consolidate the definition of "branch" and to formalize the definitions of "net branch" and "application." There also would be an accompanying proposal to amend Part 410.6 of the Superintendent's Regulations (Branch application; investigation fees; annual branch fees).
8. Amendments to Supervisory Procedure CB 105 (Application for Approval of the Formation of a Bank Holding Company, the Expansion of an Existing Bank Holding Company, the Voting by a Bank Holding Company of the Stock of a Banking Subsidiary, a Merger, a Consolidation, or a Purchase of Assets) to clarify the applicability of portions thereof to particular types of transactions.
9. Amendments to Supervisory Procedure CB 117 (Application for Companies Seeking to Acquire or Exercise Control of a Banking Institution Under Banking Law Section 143-b) to reflect current practice regarding waiver of particular information and/or acceptance of federal application information in its stead.
10. Amendments to Part 16 of the General Regulations of the Banking Board (Certain Mergers and Acquisitions of Assets Involving Banking Institutions) regarding interstate transactions.
11. Addition of new Part 404 to the Superintendent's Regulations to set forth the requirements and standards of operation for entities licensed under Article 12-C of the New York Banking Law to conduct the business of budget planning when the licensees use the services of third party entities in making payments of debtor funds to creditor of the debtors. These amendments were adopted on March 7, 2005 on an emergency basis.
12. Amendments to Part 41 of the General Regulations of the Banking Board (Restrictions and Limitations on High Cost Loans) to ensure compliance with recently enacted predatory lending legislation. These amendments were adopted on February 22, 2005 on an emergency basis.
13. Amendment to Part 6 of the General Regulations of the Banking Board regarding extending the 23A "sister bank" exemption to New York State Banking Law Section 103 lending limit.
14. Amendments to Part 82 of the General Regulations of the Banking Board (Alternative Mortgage Instruments) to increase the loan-to-value ratio of up to 103% on alternative rate mortgage instruments to achieve parity with national banks.
15. Amendment to Part 32 of the General Regulations of the Banking Board regarding the ability of certain banking institutions to charge daily fees in connection with the payment of a check drawn upon insufficient funds in the absence of a prior written agreement to do so. The amendment may also raise the maximum fee that may be charged on a return item.
16. Addition of a new section to Part 6 of the General Regulations of the Banking Board implementing the wild card authority to permit New York State chartered banking institutions to impose charges on insufficient funds or on uncollected balances to the same extent as national banks.

17. Amendments to Part 6 of the General Regulations of the Banking Board regarding wildcard action concerning the number of board meetings for savings banks and savings and loan associations.
18. Amendments to Part 6.5 of the General Regulations of the Banking Board regarding self-certification of investments in community development entities or projects to achieve parity with OCC regulations.
19. Amendments to Parts 80, 82, 84, and 96 of the General Regulations of the Banking Board (Mortgage Lending) regarding making appraisal requirements consistent with federal appraisal requirements.
20. Addition of new Part 6.7 to the General Regulations of the Banking Board implementing the wild card authority to permit underwriting of certain government securities, including municipal revenue bonds by New York banks and trust companies to the same extent as national banks.
21. Amendments to Part 406 of the Superintendent's Regulations (Money Transmitters) to establish new reporting requirements for licensed money transmitters in order to provide the Department with more timely information on the business activities and financial status of the licensees.
22. Addition of new Part 114 to the General Regulations of the Banking Board regarding supervision and regulation of Article XII investment company holding companies and their subsidiaries for purposes of the European Union Financial Conglomerates Directive. These amendments were adopted on February 22, 2005 on an emergency basis.
23. Amendments to Part 400 of the Superintendent's Regulations (Licensed Cashers of Checks) implementing L.2004, Ch. 432 regarding the regulation of commercial check cashing and changing signage requirements for check cashers. These amendments were adopted on April 10, 2005 on an emergency basis.
24. Amendments to Section 400.5 of the Superintendent's Regulations (Licensed Cashers of Checks) permitting check cashers to have deposit accounts with banking institutions wherever located.
25. Amendments to Part 76 of the General Regulations of the Banking Board to conform the state CRA regulation with the proposed federal CRA regulations.
26. Amendments to Parts 38, 80, 82 and 84 to decrease unnecessary regulatory burden while ensuring that consumer protections are not diminished.

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