

# REGULATORY AGENDA

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## Banking Department Second Half 2007

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

1. Addition of new Part 115 to the General Regulations of the Banking Board and new Part 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.

2. Addition of new Part 116 to the General Regulations of the Banking Board and Part 417 to the Superintendent's Regulations, requiring institutions licensed or chartered by the Department to maintain Bank Secrecy Act and OFAC compliance programs.

3. Amendments to Part 38 of the General Regulations of the Banking Board (Definition of Terms; Advertising; Application and Commitment Disclosures and Procedures; Improper Conduct under Article 12-D) to eliminate the definitions of full service branch and loan solicitation branch, add definitions of application and net branch, clarify disclosure requirements and requirements for branches, and add the specific prohibition against "dual employment" to the list of Prohibited Conduct. There also would be an accompanying proposal to amend Part 410 of the Superintendent's Regulations (Mortgage Bankers: Licensing Requirements; Mortgage Brokers: Registration Requirements; Branch Applications: Notifications: Books and Records; Annual Reports; Surety Bonds; and Consultants of Licensed Mortgage Bankers and Registered Mortgage Brokers) and to make corresponding amendments to Supervisory Procedures MB 101, 102, 103 and 104. It is also proposed to amend Part 413.3 of the Superintendent's Regulations (Procedures and Requirements for Mortgage Brokers to act as FHA Mortgage Loan Correspondents) to make it clear that the corporate surety bond required as a precondition of Department approval to make FHA insured mortgage loans is in addition to any other bond requirement imposed by the Banking Law or otherwise. A corresponding amendment to Supervisory Procedure MB 106 is also proposed.

4. Amendment to Part 6 of the General Regulations of the Banking Board implementing the wild card authority to adopt the capital definitions used by federally chartered entities.

5. 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.

6. 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.

7. 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.

8. 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.

9. Adoption of a new Part 6.11 of the General Regulations of the Banking Board implementing the wild card authority to permit New York State chartered banking institutions to invest in bankers' banks.

10. Amendments to the regulations, supervisory policies and supervisory procedures of the Department to reflect the revised licensing and application fees resulting from the enactment of Section 18-a of the Banking Law.

11. Amendments to Part 38 of the General Regulations of the Banking Board to clarify that the copy of the pre-application disclosures maintained by a mortgage broker must be dated by the applicant as well as signed by the applicant, to revise the required disclosures to allow for ARMs, to provide for consistency in the disclosure of information for mortgage bankers acting as mortgage brokers, etc., to regulate dealings with unauthorized mortgage loan originators, to require the retention of certain insurance documents, to govern unauthorized sharing of customer information with unaffiliated third parties, to describe deceptive advertising practices and to improve customer disclosure.

12. Amendments to Part 410 of the Superintendent's Regulations to add lease requirements for branch office applications, to require additional information in connection with changes in executive officers or branch managers, to clarify books and records requirements, to increase net worth requirements for mortgage bankers and to institute a net worth requirement for mortgage brokers.

13. Amendments to Parts 80 and 82 of the General Regulations of the Banking Board to remove the maximum amount on the junior lien mortgage loans and alternative mortgage instruments to which they apply.

14. Addition of a new Part to the Superintendent's Regulations implementing new Article 12-E of the Banking Law regarding authorized mortgage loan originators.

15. Amendments to Supervisory Procedure CB 105 reducing the information required in applications for the formation/expansion of a holding company and in applications for a merger, consolidation, or purchase of assets.

16. Adding new Supervisory Procedure for applications by credit unions to convert to mutual savings banks.

17. Amending Parts 38 and 82 of the General Regulations of the Banking Board to make the affordability standard presently in found in Banking Law Section 6-1 applicable to all lenders regulated by the Department.

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