

RULE REVIEW

Banking Department Review of Existing Rules -- 2008

Section 207 of the State Administrative Procedure Act (SAPA) requires that each agency review, after five years and thereafter at five year intervals, each of its rules which is adopted on or after January 1, 1997 to determine whether such rules should be modified or continued without modification.

Pursuant to SAPA Section 207, the New York State Department of Banking submits the following rule that was adopted during calendar year 2003 that the Department has reviewed and determined should be continued without modification. All Section and Part references are to Title 3 of the New York Code of Rules and Regulations.

New Part 306 of the Superintendent's Regulations, 3 NYCRR (Corporate Governance Vacancies on the Board of Directors)

a. Description of rule: Specifies the maximum number of vacancies on the board of directors of a bank, trust company, stock-form savings bank and stock-form savings and loan association that may be left unfilled.

b. Legal basis for the rule: Banking Law Section 7005(1)(b).

c. Need for the rule: Implements legislation providing greater flexibility for financial institutions to leave vacant directorships unfilled until the next shareholders' meeting in appropriate circumstances.

New Part 307 of the Superintendent's Regulations, 3 NYCRR (Corporate Governance Actions Permitted to be Taken by Unanimous Written Consent of the Board of Directors)

a. Description of rule: Lists the actions that can be taken by unanimous written consent of the board of directors of a bank, trust company, safe deposit company, investment company, mutual trust investment company, stock-form savings bank or stock-form savings and loan association without a meeting.

b. Legal basis for the rule: Banking Law Section 7008(3).

c. Need for the rule: Implements legislation enabling boards of directors of financial institutions to act by unanimous written consent without a meeting in appropriate circumstances.

