

# NEW YORK STATE ASSEMBLY

# ANNUAL REPORT

# 2020



COMMITTEE ON  
BANKS

CARL E. HEASTIE  
SPEAKER

THOMAS J. ABINANTI  
CHAIR



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

COMMITTEES  
Codes  
Health  
Environmental Conservation  
Judiciary

THOMAS J. ABINANTI  
Assemblyman 92<sup>nd</sup> District

CHAIR  
Banks

December 15, 2020

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 2020 Annual Report for the Assembly Standing Committee on Banks.

The 2020 Annual Report includes details of the Committee's 2020 legislative work, other initiatives undertaken during the year, and important developments since the close of session. Additionally, the Report provides the Committee's outlook for the 2021 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 impacted the 2020 legislative agenda, the Banks Committee worked to address the needs of New Yorkers as the economy closed down. The Committee sent to the floor legislation, ultimately signed by the Governor, to provide economic relief to struggling homeowners. The Committee also conducted several hearings on the financial impact of the COVID-19 pandemic on small businesses and on others across the State.

I want to offer tremendous thanks to my fellow members of the Assembly Banks Committee for all of the time and work they put into 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 2021.

Very truly yours,

Thomas J Abinanti, Chair  
Assembly Banks Committee

**2020 ANNUAL REPORT  
NEW YORK STATE ASSEMBLY  
STANDING COMMITTEE ON BANKS**

**Thomas J. Abinanti**  
Chair

**Banks Committee Members**

**Majority**

N. Nick Perry  
Peter J. Abbate, Jr.  
Michael Miller  
David Weprin  
Robert Rodriguez  
Rodneyse Bichotte  
Michael Blake  
Kimberly Jean-Pierre  
Rebecca Seawright  
Diana Richardson  
Inez Dickens  
Carmen De La Rosa  
Clyde Vanel  
Tremaine Wright  
Yuh-Line Niou  
Al Taylor  
Brian Barnwell  
Steve Stern  
Andrew Hevesi  
Nader Sayegh  
Patrick Burke  
Marianne Buttenschon

**Minority**

Kieran Michael Lalor,  
Ranking Minority member  
Gary Finch  
John K Mikulin  
Douglass Smith  
Brian Manktelow  
John Salka  
Colin Schmitt  
Robert Smullen

**Staff**

Aaron Suggs, Assistant Secretary for Program and Policy  
Teri Kleinmann, Associate Counsel  
Peter Hoffman, Analyst  
Kathryn Kilichowski, Committee Assistant  
Aileen Burke, Committee Clerk  
Dawn Fowler, 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 2020 legislative session, the Banks Committee considered 64 bills. The Committee reported 8 of these bills favorably; 5 passed the Assembly; 3 were signed into law and 0 were vetoed.

## **II. Major Issues of 2020**

### **COVID-19 Relief**

#### **Residential Forbearance**

**A.10351-B (Rozić) / S.8243-C (Kavanagh)**

This bill would require New York State regulated banking institutions to grant 180 days of mortgage forbearance, with the option for an additional 180 days upon proof of continued financial hardship, on a residential mortgage on their primary residence to any mortgagor who can demonstrate financial hardship as a result of the COVID-19 pandemic.

#### *Chapter 112*

#### **Commercial Forbearance**

**A.10532-A (Bichotte) / S.8744 (Sanders)**

This bill would require New York regulated institutions to grant 180 days of forbearance to residential mortgagors of investment properties who can demonstrate financial hardship as a result of the COVID-19 pandemic. This new section would also allow for any mortgagor granted forbearance to choose either to extend their loan for the length of the forbearance, pay their arrears in monthly installments, or to defer the arrears as a lump sum payment due at the maturity of the mortgage.

#### *3<sup>rd</sup> Reading*

### **Regulatory Issues**

#### **Fees on Inactive Accounts**

**A.9140 (Abinanti) / S.4188 (Kennedy)**

This bill would require financial institutions, including any bank, trust company, savings bank, savings and loan association, credit union, mortgage broker, mortgage banker, or other investment entity, to notify customers in writing thirty days prior to charging a fee for account inactivity.

#### *Chapter 268*

#### **Checks in Order Received**

**A.9677 (Abinanti) / S.982 (Breslin)**

This bill would require every banking institution maintaining checking accounts to pay checks in the order received; provided, however, if a check is dishonored for insufficient funds and thereafter smaller checks which could be paid are received, the smaller checks shall be honored within the amounts on deposit.

#### *3<sup>rd</sup> Reading*

**Private Prison Divestment****A.7580-A (Mosley) / S.5433-A (Benjamin)**

This bill would prohibit any state-chartered banking institution from providing financing for or investing in the stocks, securities, or other obligations of any institution, company, or subsidiary that owns or contracts with a government to manage or run a private prison.

***3<sup>rd</sup> Reading*****Online Lending Consumer Disclosure****A.10118-A (Zebrowski) / S.5470-B (Thomas)**

This bill would require certain disclosure be given to prospective borrowers in New York who borrow from commercial lenders. Commercial financing is defined as open-end or closed-end financing and includes factoring which is accounts receivable financing.

***Chapter 264***

### **III. Hearings**

#### **COVID-19 Impact**

The Assembly Standing Committees on Banks participated in the May 13, 2020 joint Senate and Assembly hearing on the federal response to the economic impact of the COVID-19 pandemic on small businesses in New York State. At the hearing, the Committee heard testimony from many community members, including representatives of the small business community, on the scope and implementation of the federal response to the COVID-19 pandemic, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Paycheck Protection Program and Health Care Enhancement Act. The Committee considered testimony on whether the federal assistance was adequate and accessible for small businesses across the State.

Additionally, the Banks Committee participated in a series of five regional hearings on the federal response to the economic impact of the COVID-19 pandemic on small business in New York State. Along with the Committee on Small Business, the Ways and Means Committee, the Agriculture Committee, the Office of State-Federal Relations and the Task Force on Food, Farm & Nutrition Policy, the Committee took localized testimony on the regional impact of the COVID-19 pandemic, the subsequent shutdowns and the federal response.

Finally, on August 13, the Committee participated in another joint Senate and Assembly hearing to investigate the impact of the COVID-19 pandemic on the workforce, including its impact on unemployment insurance and workplace safety, as well as the impact of the federal Payroll Protection Program on maintaining employment.

It should be noted that, due to the COVID-19 pandemic, the Committee conducted all of these hearings virtually.



#### **IV. Banking Committee 2021 Outlook**

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 2021 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 also pursue all available avenues to assist New York's residents and businesses with issues arising out of the COVID-19 pandemic and its aftermath.

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 2020 LEGISLATIVE SESSION**

**TOTAL NUMBER OF COMMITTEE MEETINGS HELD 4**

| ASSEMBLY | SENATE | TOTAL |
|----------|--------|-------|
| BILLS    | BILLS  | BILLS |

| <b>BILLS REPORTED FAVORABLE TO:</b>                     |           |          |           |
|---|-----------|----------|-----------|
| Codes   | 6         | 0        | 6         |
| Judiciary   | 0         | 0        | 0         |
| Ways and Means  | 0         | 0        | 0         |
| Rules   | 1         | 0        | 1         |
| Floor   | 1         | 0        | 1         |
| <b>TOTAL</b>  | <b>8</b>  | <b>0</b> | <b>8</b>  |
| <b>COMMITTEE ACTION</b>                                 |           |          |           |
| Held For Consideration                                  | 1         | 0        | 1         |
| Defeated  | 0         | 0        | 0         |
| Enacting Clause Stricken                                | 8         | 0        | 8         |
| <b>REMAINING IN COMMITTEE</b>                           | <b>64</b> | <b>6</b> | <b>70</b> |
| <b>BILLS REFERENCE CHANGED TO:<br/>WAYS AND MEANS 1</b> | <b>1</b>  | <b>0</b> | <b>1</b>  |
| <b>TOTAL</b>  | <b>1</b>  | <b>0</b> | <b>1</b>  |

**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.6070-A (Seawright)                  | S.8721 (Comrie)                     | Chapter 324                         | Directs the New York State Department of Financial Services and the New York State Department of State's Consumer Protection Division to conduct a study on consumer awareness and financial education in New York State and to make recommendations for a consumer awareness and financial education program. |
| A.7580-B (Mosley)                     | S.8722 (Benjamin)                   | Advanced to 3 <sup>rd</sup> Reading | Prohibits state-chartered banking institutions from investing in and providing financing for private prisons.  |
| A.8945 (Cook)                         | S.7181 (Breslin)                    | Chapter 79                          | Requires agents of licensed money transmitters to remit moneys to the licensee within the time frame provided in the contract between the agent and the licensee and makes agents liable for treble damages for failure to remit moneys in a timely manner.  |
| A.9140 (Abinanti)                     | S.4188 (Kennedy)                    | Chapter 268                         | Requires financial institutions to notify a customer thirty days prior to charging a fee based on account inactivity.  |
| A.9677 (Abinanti)                     | S.982 (Breslin)                     | Advanced to 3 <sup>rd</sup> Reading | Provides that every banking institution which maintains checking accounts for customers shall pay checks in the order received within account balance; provides such banks may dishonor check for insufficient funds, but then must honor smaller checks within amounts on deposit in the subject account.     |

**APPENDIX B - Cont.**

|                          |                        |                            |  |
|--------------------------|------------------------|----------------------------|--|
| A.10118-A<br>(Zebrowski) | S.5740-B (Thomas)      | Chapter 264                | Requires certain providers that extend specific terms of commercial financing to a recipient to disclose certain information about the offer to the recipient, including information concerning the financing amount, finance charges, the annual percentage rate, the total repayment amount, the term, payment amounts, other potential fees, any prepayment costs and a description of any collateral requirements. |
| A.10351-B (Rozić)        | S.8243-C<br>(Kavanagh) | Chapter 112                | Requires New York regulated banking organizations to make applications for forbearance for residential mortgages available to qualified mortgagors during the period in which the NY on PAUSE order is in effect in the county wherein the qualified mortgagor is located and to grant such applications for a period of 180 days.   |
| A.10532-A (Bichotte)     | S.8744 (Sanders)       | Advanced to 3rd<br>Reading | Requires New York regulated banking organizations to make applications for forbearance for residential and commercial investment property mortgage repayments available to qualified mortgagors during the period in which the NY on PAUSE order is in effect in the county wherein the qualified mortgagor holder is located and to grant such applications for a period of 180 days.                                 |

**APPENDIX C**  
**SUMMARY OF LAWS ENACTED DURING THE**  
**2020 LEGISLATIVE SESSION**

| <b>Assembly Bill Number<br/>(Sponsor)</b> | <b>Senate Bill<br/>Number<br/>(Sponsor)</b> | <b>Final Action</b> | <b>Description</b>   |
|---|---|---------------------|--|
| A.6070-A (Seawright)                      | S.8721 (Comrie)                             | Chapter 324         | Directs the New York State Department of Financial Services and the New York State Department of State's Consumer Protection Division to conduct a study on consumer awareness and financial education in New York State and to make recommendations for a consumer awareness and financial education program.   |
| A.8945 (Cook)                             | S.7181 (Breslin)                            | Chapter 79          | Requires agents of licensed money transmitters to remit moneys to the licensee within the time frame provided in the contract between the agent and the licensee and makes agents liable for treble damages for failure to remit moneys in a timely manner.  |
| A.9140 (Abinanti)                         | S.4188 (Kennedy)                            | Chapter 268         | Requires financial institutions to notify a customer thirty days prior to charging a fee based on account inactivity.  |
| A.10118-A (Zebrowski)                     | S.5740-B (Thomas)                           | Chapter 264         | Requires certain providers that extend specific terms of commercial financing to a recipient to disclose certain information about the offer to the recipient, including information concerning the financing amount, finance charges, the annual percentage rate, the total repayment amount, the term, payment amounts, other potential fees, any prepayment costs and a description of any collateral requirements. |

**APPENDIX C - Cont.**

|                   |                        |             |  |
|-------------------|------------------------|-------------|--|
| A.10351-B (Rozić) | S.8243-C<br>(Kavanagh) | Chapter 112 | Requires New York regulated banking organizations to make applications for forbearance for residential mortgages available to qualified mortgagors during the period in which the NY on PAUSE order is in effect in the county wherein the qualified mortgagor is located and to grant such applications for a period of 180 days. |
|-------------------|------------------------|-------------|--|