



NEW YORK STATE SENATOR

Velmanette Montgomery

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SENATOR VELMANETTE MONTGOMERY December 14, 2017

| ISSUE: **COMMUNITY BANKING, COMMUNITY EMPOWERMENT, COMMUNITY REVITALIZATION, SMALL BUSINESS DEVELOPMENT**



Senator Montgomery joins NYS Comptroller Thomas P. DiNapoli at the new Ridgewood Savings Bank branch in Clinton Hill to announce the deposit of \$10 million in state funds

and to highlight the importance of Banking Development Districts (BDDs). The BDDs law authorizes the Comptroller's office to deposit state funds in approved banks to help build a stable base of capital for a banks' operations.

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In his introduction of Senator Montgomery, Comptroller DiNapoli noted "[Senator Montgomery] has been a rock of strength, has been a very clear voice in challenging times and in good times, of always reminding us of doing things in the right way. She was a strong supporter of this legislation. We wouldn't be here without the support of great legislators like Senator Montgomery."

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In her remarks, Senator Montgomery reflects "This is one of the rare moments where government begins to make sense to the people we serve. I am just happy that finally something that we did in Albany many, many years ago is going to work to the true benefit We can actually see it being implemented but it would not be possible if not for Comptroller DiNapoli."

The New York State Legislature created the BDD program in 1997 to encourage the establishment of bank branches in areas across New York State with a demonstrated need for banking services. The purpose of the law is to encourage the establishment of bank branches within such a banking development districts to enhance access by consumers to banking services and promote local economic development. Underserved consumers may reside in urban or rural areas which may have different income levels, demographic characteristics and population densities. The establishment of a bank branch is intended to

provide a foundation to stimulate the local economy by enhancing access to capital for local businesses. This will promote long-term economic development, foster job creation, and promote community stabilization and revitalization.

To encourage bank participation in the BDD program, \$10 million in subsidized public deposits and other benefits are made available to banks that open a branch in an underserved community. Banks that successfully apply for a BDD designation are eligible to receive below market-rate deposits from the state of New York. These deposits are intended to lower the financial risk that the branch may incur when opening in an underserved community, usually comprised of low- and moderate-income households.

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"The Banking Development District provides an opportunity for my constituents to have access to financial services without hefty fees and restrictions," said State Senator Velmanette Montgomery, who the Brooklyn's Senate District 25. "It is so important, especially for young people, families and small businesses to be able to access savings, capital and financial literacy programming. I welcome this investment from Comptroller DiNapoli and look forward to taking steps to expand community banking options even further."

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"Residents of New York City, and the neighborhood businesses where they spend their money, shouldn't have to travel outside the community to cash a check, open a savings account, or apply for a loan," DiNapoli said. "The state's Banking Development District program helps open bank branches that provide financial services to communities that show a real need for retail banking services. Having a local bank can spur business growth, job creation and family savings. I am proud that my office and New York state have been able to deposit \$20

million in these banks that will help them serve residents and businesses in Brooklyn and the Bronx."

To learn more about Comptroller DiNapoli's efforts to create neighborhood banking opportunities and revitalizing communities throughout New York City, visit

<http://www.osc.state.ny.us/press/releases/dec17/121317.htm>