



# Annual Report 2024

New York State Senate  
Standing Committee on

Banks

# SENATOR JAMES SANDERS JR.

Chair

Senator Andrea Stewart-Cousins  
President Pro Tempore  
NYS Senate Majority Leader



THE SENATE  
STATE OF NEW YORK



**JAMES SANDERS JR.**  
SENATOR, 10TH DISTRICT

**CHAIRMAN**

BANKS

**MEMBER**

COMMERCE, ECONOMIC DEVELOPMENT  
AND SMALL BUSINESS

INSURANCE

LABOR

PROCUREMENT AND CONTRACTS

RACING, GAMING AND WAGERING

VETERANS, HOMELAND SECURITY  
AND MILITARY AFFAIRS

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December 2024

Dear Senator Stewart-Cousins:

I am pleased to transmit the Annual Report of the Senate's Standing Committee on Banks for the 2024 Legislative Session. As Chair, I am proud to continue to lead our efforts to address important matters under my Committee's jurisdiction.

During the 2024 Session, this Committee met four times and reported 28 bills. I thank my colleagues who served on the Committee for their efforts and support for the work that was done on the Committee this year, and I thank you for the continued support from the Majority Conference in the Committee's operations.

Sincerely,

A handwritten signature in black ink that reads "J. Sanders Jr." with a stylized flourish at the end.

James Sanders Jr.  
Senator





# 2024 LEGISLATIVE SESSION REPORT

## NEW YORK STATE SENATE STANDING COMMITTEE ON BANKS

**Senator James Sanders Jr.**  
**Chairperson**

### **Majority Members**

Senator James Sanders Jr., *Chair*

Senator Jabari Brisport

Senator Cordell Cleare

Senator Timothy M. Kennedy

Senator Kevin S. Parker

### **Minority Members**

Senator George M. Borrello, *Ranking Member*

Senator James N. Tedisco

### **Committee Staff**

Paul Alexander, Committee Director

Roberta Barnett, Senior Policy Advisor,  
Majority Counsel/Program



## COMMITTEE JURISDICTION AND OVERVIEW

The New York State Senate Standing Committee on Banks has legislative oversight responsibilities for issues affecting financial institutions that operate in New York State. The Committee addresses issues arising under the New York State Banking Law.

Entities subject to the jurisdiction of the Banks Committee include banks, credit unions, savings banks, savings and loan associations, licensed lenders, licensed check cashers, 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.

The bills within the Banks Committee address a broad range of banking concerns, from both the industry and consumers, including maintaining the competitive balance among financial institutions, protecting customers' interests, providing financing options, and modifying banking regulations and administration.



During the 2024 Legislative Session, 76 bills were referred to the Committee for its review. Of these bills, 28 were reported by the Committee. A total of 19 passed the Senate, and 9 passed in both houses. This work was conducted through a series of 4 committee meetings. A list of all bills that were reported from the committee is provided at the end of this report.

In addition to its regular meetings, the Committee held 2 hearings and/or roundtable meetings. Topics of these public hearings included: Explore Disparities in New York's Banking Industry, including Banking Access for Consumers and Small Businesses; and Exploring Unequal Access to Loans in New York's Mortgage Banking and Credit Industry.

# COMMITTEE HIGHLIGHTS

The following key bills were acted on by the committee in 2024:

## **Relates to the Effectiveness of Certain Provisions of the Banking Law**

**S.9382 (SANDERS) / A.10031 (Buttenschon)**

### **Signed Chapter 254 of the Laws of 2024**

This bill extends, for an additional five years, the banking “wild card” law, which provides an administrative mechanism to keep the state banking charter viable and competitive with the federal banking charter.

## **Prohibits State-Chartered Banks From Financing Private Prisons**

**S.205 (CLEARE) / A.6601 (Reyes)**

### **Passed Senate**

This bill prohibits 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 prison.

## **Creates a Private Right Of Action For Mortgage Servicer Violations**

**S.564A (KAVANAGH) / A.2428A (Dinowitz)**

### **Passed Senate**

This bill creates a private right of action for those who are injured by a mortgage servicer’s failure to comply with foreclosure proceeding rules and regulations. This bill also provides that the injured person can assert a counterclaim in an action due to such failure, or, if an action is commenced by the mortgagee or anyone acting on its behalf, bring a third party claim against either the mortgagee and/or the mortgage servicer to enjoin any violations.

## **Prohibits Banks from Various Actions After Account Closure**

**S.1065 (MAYER) / A.6320 (Zebrowski)**

### **Passed Senate**

This legislation prohibits State-chartered banks from the following actions after an account has been closed: honoring a request for deposit or withdrawal, keeping an account open or reopening the account, and charging additional fees beyond those needed to satisfy a negative balance.

## **Establishes a State Commission on the Feasibility of Establishing a Public Bank**

**S.1755A (SANDERS) / A.2720A (Peoples-Stokes)**

### **Passed Senate**

This bill establishes a temporary commission to conduct a feasibility study on the formation and control of a State public bank.

## **Prohibits Fees for Any Service Rendered through a Bank Relating to the Use of an Electronic Benefit Transfer Card Issued by the State or Certain Departments or Agencies**

**S.2601-B (HOYLMAN-SIGAL) / A.8999-C (Tapia)**

### **Veto #129**

This bill prohibits fees for benefit banking services.



## **DFS Removal and Suspension of Regulated Entities**

**S.7532 (SANDERS) / A.7428A (Hunter)**

### **Signed Chapter 660**

This bill authorizes DFS to remove a director, trustee, or member of any covered entity if they find the individual is operating in violation of a law, regulation, order, or agreement, or who has engaged in unsafe or unsound practices, or who has engaged or participated in a willful act that directly contributed to the failure of the entity. This removal has to be conducted to the extent consistent with the existing DFS hearing process.

## **Establishes the New York State Cryptocurrency and Blockchain Study Task Force**

**S.8136-A (SANDERS) / A.9507 (Vanel)**

### **Vetoed Memo.67**

This bill creates a task force on the effects of the widespread use of cryptocurrencies and other forms of digital currencies and their ancillary systems in New York, including the blockchain.

## **Creates the Private Education Debt Registry**

**S.8197 (THOMAS) / A.8913 (Epstein)**

### **Signed Chapter 627**

This bill requires private education creditors that are not already licensed or chartered by DFS to register with it. All private education creditors will submit information on their private education debt activity annually, regardless of the debt's principal amount or interest rate.

## **Establishes Multiple-Person Accounts**

**S.9383-A (SANDERS) / A.9230-B (Wallace)**

### **Veto #110**

It establishes multiple-person accounts governed by contemporary best practices to align the law with account owners' expectations and creates an account signature card to promote fair and reasonable outcomes.



## TWO HOUSE BILLS

Bill	Sponsor	Summary	Significant Act
S02601B	Hoylman-Sigal	Prohibits fees for any service rendered through a banking organization relating to the use of an electronic benefit transfer card issued by the state or certain departments or agencies thereof.	Vetoed Memo. 129
S05597B	Comrie	Requires the development of a “what mortgage applicants need to know” pamphlet on residential mortgages; provides such pamphlet shall be posted and printed in the 6 most common non-English languages spoken by individuals with limited English proficiency in New York state.	Substituted By A9686 - Chaptered 566
S05669	Sanders	Requires a study of the utilization of state government payments as an opportunity to transition unbanked and underbanked state residents into the banking system; requires a report shall be compiled and provided on the findings no later than eighteen months after the effective date of this act.	Substituted By A6924 - Vetoed Memorandum 35
S06648	Sanders	Includes participation in a banking development district as a factor when assessing a banking institution’s record of performance in relation to the Community Reinvestment Act of 1977.	Approval Memo. 86
S07532	Sanders	Provides for the removal and prohibition of directors, trustees, officers, members or partners of certain entities.	Signed Chap. 660
S08136A	Sanders	Establishes the New York state cryptocurrency and blockchain study task force to provide the governor and the legislature with information on the effects of the widespread use of cryptocurrencies and other forms of digital currencies and their ancillary systems, including but not limited to blockchain technology, in the state.	Vetoed Memorandum 67
S08197	Thomas	Directs the superintendent of financial services to create a private education debt registry which shall contain information and documentation relating to loans issued by creditors including interest rates and copies of the notes and instruments used by such creditors for education loans.	Signed Chap. 627

Bill	Sponsor	Summary	Significant Act
S09382	Sanders	Extends certain provisions of the banking law from September 10, 2024 until September 10, 2029.	Substituted By A10031 - Chaptered 254
S09383A	Sanders	Provides for multiple-person accounts; requires a signature card; provides that absent indication to the contrary, funds remaining in such an account upon the death of the depositor shall be deemed part of the depositor's estate.	Vetoed Memorandum 110



## 2024 SENATE BANKS COMMITTEE ACTIVITY

<b>Bill No.</b>	<b>Sponsor</b>	<b>Summary</b>	<b>Significant Act</b>
S00177	Gianaris	Requires transmitters of money to provide a warning which informs consumers of certain fraudulent activities that may occur.	Passed the Senate
S00205	Cleare	Prohibits state chartered banking institutions from investing in and providing financing for private prisons.	Passed the Senate
S00564A	Kavanagh	Provides that any person who has been injured by reason of any violation of any such rules, regulations or policies as the superintendent may promulgate may bring an action in his or her own name; assert a counterclaim; or, if an action is commenced by the mortgagee or anyone acting on its behalf, bring a third party claim, against either the mortgagee and/ or the mortgage servicer to enjoin any violations thereof; authorizes damages; makes related provisions.	Passed the Senate
S00666C	Kavanagh	Relates to licensing consumer debt collectors; sets minimum standards and regulations; establishes penalties for violations.	Reported to Senate Finance
S01065	Mayer	Relates to establishing limitations on bank accounts after such accounts have been closed including opening or re-opening such account, requesting a deposit or withdrawal or assessing certain fees.	Passed the Senate
S01137A	Sanders	Relates to including information concerning repayment of outstanding loans in the standard financial aid award letter.	Passed the Senate
S01450A	Sanders	Regulates commercial finance licensing; sets forth the application process for such licensing; makes conforming technical changes thereto.	Reported to Senate Finance
S01492	Comrie	Requires 10% of the penalties imposed by the superintendent of financial services to be deposited in the community development financial institution fund.	Reported to Senate Finance

<b>Bill No.</b>	<b>Sponsor</b>	<b>Summary</b>	<b>Significant Act</b>
S01748	Sanders	Enacts the New York state money transmission disclosure act; requires each licensee providing a transmission transaction which involves currency of one country into the currency of another country to provide the customer with a written disclosure; authorizes the superintendent of financial services to implement any necessary rules and regulations.	Passed the Senate
S01750A	Sanders	Establishes the state financial literacy fund which provides funding for project grants to organizations in order to establish financial capability and financial literacy programs, products content and/or services for at-risk populations in New York.	Reported to Senate Education
S01755C	Sanders	Establishes a temporary state commission to conduct a feasibility study to evaluate and make recommendations concerning the formation and control of a state public bank; provides if such study finds that the state bank is feasible, the commission may recommend legislation to create a state public bank for New York.	Passed the Senate
S02877A	Comrie	Prohibits certain financial institutions from charging a fee for periodic paper statements when such statements are required for an application for public assistance.	Senate Rules
S05437	Harckham	Requires certain corporations authorized to operate in the state and subject to the supervision of the department of financial services that had annual gross revenues of at least five hundred million dollars (\$500,000,000) in the prior calendar year to annually prepare a climate-related financial risk report for submission to the secretary of state and to make such report available to the public.	Reported to Senate Insurance
S06271	Sanders	Relates to minority depository institutions which apply to establish a home or branch office in an unbanked or underbanked community; provides that such institutions shall be entitled to receive deposits from the state comptroller and the commissioner of taxation and finance.	Reported to Senate Finance
S06545	Kennedy	Provides for joint and survivorship accounts, provides that absent indication to the contrary, funds remaining in such an account upon the death of the depositor shall be deemed part of the depositor's estate.	Senate Rules, Enacting Clause Stricken

<b>Bill No.</b>	<b>Sponsor</b>	<b>Summary</b>	<b>Significant Act</b>
S06805	Sanders	Directs the superintendent of banks to promulgate rules and regulations requiring licensed cashers of checks to file suspicious activity reports.	Senate Rules
S06849	Parker	Prohibits a bank or trust company from charging a service charge or requiring a minimum balance for attorney trust or IOLA accounts that are non-interest bearing in nature; defines attorney trust account.	Senate Rules
S08147B	Sanders	Creates a banking development district working group to assess the banking development district program and provide an annual report to the governor and legislature on the strengths and weaknesses of such program; defines unbanked and underbanked.	Passed the Senate
S09366	Sanders	Relates to the application of certain provisions relating to commercial financing; provides that liability shall not be imposed on a provider if the actual annual percentage rate charged by the provider differs from the estimated annual percentage rate disclosed by the provider acting in good faith.	Senate Rules















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