

BANKING DEPARTMENT

MISSION

The Banking Department is charged with protecting the public interest and promoting a desirable business climate by regulating and supervising approximately 3,200 State-chartered banking institutions with total assets of approximately \$1.9 trillion. In carrying out this responsibility, the Department approves acquisitions, branch expansions, mergers and other forms of consolidation. It also levies fines, orders cessation of unsound financial practices and replaces management as needed. In addition, the Department is authorized to take possession of failing institutions and to operate or liquidate them for the benefit of depositors and creditors. In exercising this oversight function, the Banking Department maintains the highest standards to assure the continued safety and soundness of, and the full public confidence in, the institutions supervised. By dealing decisively with institutions that are not in compliance with banking laws and regulations, or cases of malfeasance, the Department promotes a desirable business climate for all financial institutions operating in New York State.

ORGANIZATION AND STAFFING

The Superintendent of Banks, appointed by the Governor, directs the Department. The Superintendent is also the Chair of the 17-member Banking Board, a quasi-legislative body which regulates the conduct of banking in the State. Members of the Board are appointed by the Governor with the consent of the Senate. They receive travel reimbursement but are not otherwise compensated. The Department maintains offices in Albany, New York City, Syracuse, London, and Tokyo. The Banking Department will have a workforce of 599 positions for 2001-02.

FISCAL BACKGROUND AND BUDGET HIGHLIGHTS

The Banking Department is entirely supported by fees charged to regulated financial institutions and organizations. The Budget recommends \$67.3 million for the Department.

PROGRAM HIGHLIGHTS

To ensure the safety and soundness of banking institutions, the Department monitors these institutions to identify problems and works with management to promptly solve them. This responsibility is carried out through annual on-site examinations of most State-chartered institutions, the regular review of institutional financial reports and periodic site visits.

To ensure that State-chartered banking institutions are complying with State laws and regulations and that no individuals are unfairly denied credit, Department employees conduct consumer compliance examinations and resolve consumer complaints. Other staff monitor whether institutions are helping to meet the credit needs of, and providing banking services to, local communities as required by the State Community Reinvestment Act.

Additionally, the Department's fair but firm approach to criminal banking activities protects the public and provides support to institutions that do abide by applicable laws and regulations. Lastly, the Department continues to review its internal programs, policies, and procedures in order to eliminate inefficiencies, respond to the changing environment for financial services and promote a strong and healthy financial services industry.

BANKING

The Holocaust Claims Processing Office, established in 1997, assists Holocaust survivors and their heirs in their search for assets that have been withheld by banks and insurance companies.

ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2000-01</u>	<u>Appropriations Recommended 2001-02</u>	<u>Change</u>	<u>Reappropriations Recommended 2001-02</u>
State Operations	66,936,500	67,263,000	326,500	1,700,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>66,936,500</u>	<u>67,263,000</u>	<u>326,500</u>	<u>1,700,000</u>

ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2000-01 Estimated FTEs 03/31/01</u>	<u>2001-02 Estimated FTEs 03/31/02</u>	<u>FTE Change</u>
Administration			
Special Revenue Funds - Other	64	64	0
Analysis and Compliance			
Special Revenue Funds - Other	38	38	0
Regulation			
Special Revenue Funds - Other	<u>517</u>	<u>497</u>	<u>(20)</u>
Total	<u>619</u>	<u>599</u>	<u>(20)</u>

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Special Revenue Funds - Other	64,236,500	64,563,000	326,500
Fiduciary Funds	<u>2,700,000</u>	<u>2,700,000</u>	<u>0</u>
Total	<u>66,936,500</u>	<u>67,263,000</u>	<u>326,500</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
Special Revenue Funds - Other	<u>(4,528,000)</u>		
Appropriated 2000-01	<u>62,408,500</u>		

**STATE OPERATIONS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)**

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Administration			
Special Revenue Funds - Other	5,756,400	5,828,000	71,600
Fiduciary Funds	2,700,000	2,700,000	0
Analysis and Compliance			
Special Revenue Funds - Other	3,329,800	3,502,000	172,200
Regulation			
Special Revenue Funds - Other	<u>55,150,300</u>	<u>55,233,000</u>	<u>82,700</u>
Total	<u>66,936,500</u>	<u>67,263,000</u>	<u>326,500</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2001-02 RECOMMENDED
(dollars)**

<u>Program</u>	<u>Total</u>		<u>Personal Service</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	8,528,000	71,600	3,878,000	(17,600)
Analysis and Compliance	3,502,000	172,200	2,431,000	96,400
Regulation	<u>55,233,000</u>	<u>82,700</u>	<u>33,177,000</u>	<u>(1,398,200)</u>
Total	<u>67,263,000</u>	<u>326,500</u>	<u>39,486,000</u>	<u>(1,319,400)</u>

<u>Program</u>	<u>Nonpersonal Service</u>		<u>Maintenance Undistributed</u>	
	<u>Amount</u>	<u>Change</u>	<u>Amount</u>	<u>Change</u>
Administration	4,650,000	89,200	0	0
Analysis and Compliance	1,071,000	75,800	0	0
Regulation	<u>21,077,000</u>	<u>1,480,300</u>	<u>979,000</u>	<u>600</u>
Total	<u>26,798,000</u>	<u>1,645,300</u>	<u>979,000</u>	<u>600</u>