



New York City Comptroller
John C. Liu

STATEMENT

PR11-03-031
Contact: Matthew Sweeney, (212) 669-3747

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LIU STATEMENT ON CITY BANKING COMMISSION

NEW YORK, NY – City Comptroller John C. Liu stated the following in response to questions about today’s New York City Banking Commission vote to not require financial institutions to provide specific information on their role in the foreclosure crisis when seeking to be re-designated as a depository bank:

“Today we were outvoted 2-1 on a proposal initiated by Deputy Comptroller Alan van Capelle, my representative on the New York City Banking Commission. The New York City Banking Commission decided that the role that financial institutions played in the foreclosure crisis should have no bearing on whether or not they should be given the responsibility and privilege of being designated a depository bank for our City. I can’t disagree more. Banks can do better by New Yorkers, and we should use every tool available to us to get them to do so.”

“The Banking Commission has the ability to hold financial institutions accountable for their actions and I am disappointed that the administration’s representatives who control the commission seemed unwilling to do so. I still believe that banks should discuss their role in the foreclosure crisis prior to being re-designated as a depository bank, and I will seriously consider supporting pending legislation in the City Council as way to achieve that goal.”

In addition to the Comptroller, the Banking Commission consists of the Mayor and the Commissioner of Finance. The Department of Finance provides all administrative support for the Commission’s work.

TEXT IN FULL OF LETTER TO CITY BANKING COMMISSION:

Andrew Salkin
Secretary
Banking Commission
Department of Finance
66 John Street 12th Floor
New York, NY 10038

Dear Secretary Salkin,

I am writing on behalf of Comptroller John C. Liu to ask that financial institutions seeking to be re-designated as depository banks provide the Banking Commission with specific information as it relates to their role in the current foreclosure crisis facing many New York City residents.

Since July, our office has warned that flawed bank procedures are forcing New Yorkers from their homes and hurting our economy. Voluntary federal programs designed to encourage loan modifications have not had the full desired effect. Borrowers continue to have unanswered phone calls, delays in the modification process and a lack of a meaningful appeals process when they are denied loan modifications. Banks can do better by New Yorkers and we should use every tool available to us to get them to do so.

I am requesting that the Banking Commission amend the re-designation form to include the following information as it pertains to specific New York City portfolios.

- Provide the number of permanent modifications signed. HAMP, portfolio and non-portfolio modifications should be accounted for separately.
- Provide the number of foreclosure actions started and completed during the relevant time period.
- Provide the number of foreclosures that started and completed where no decision was made about a modification request prior to the foreclosure process being completed.
- Provide the number of mortgages which are currently 60+ more days delinquent. For these mortgages how many homeowners are in conversation with the bank regarding a modification?
- For permanent modifications in each of the three categories (HAMP, portfolio mortgage and non-portfolio mortgages) please create tables by the type of loan (prime, Alt- A, Subprime, and other) that show which of the following changes were made in the modifications. If multiple changes were made, please count them in all applicable categories:
 - Capitalization;
 - Temporary rate reductions;
 - Permanent rate reduction;
 - Term extension;
 - Principal reduction; and
 - Principal deferral.
- Provide the average length of time between request for review for a modification and decision on temporary or permanent modification.
- Provide the number and dollar amount of multi-family loans originated in New York City as a whole and in low- and moderate-income neighborhoods.
- Provide number and dollar amount of home purchase loans originated in New York City.
- Provide number and dollar amount of home purchase loans originated in New York City, with low-income borrowers and with moderate-income borrowers.

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The information requested above, should be provided for New York City and should encompass the time period from January 1, 2010 to February 28, 2011.

According to Title 22, Section 1-03c(4) of the Rules of the City of New York, the Banking Commission is authorized to request information regarding foreclosures and other banking activities.

I ask that these requests receive consideration by the Banking Commission and that the Banking Commission vote for and approve any re-designation form sent to the banks. I also request a meeting of the Banking Commission at your earliest convenience to discuss and vote on the re-designation form.

Thank you. Please feel free to contact me should you have any questions.

Sincerely,

Alan van Capelle
Deputy Comptroller
Banking Commission representative for Comptroller John C. Liu

Cc: Eugene Lee, New York City Banking Commission Member
Elaine Kloss, New York City Treasurer

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