



New York City Comptroller
John C. Liu

STATEMENT

PR11-07-066
Contact: Mike Loughran, (212) 669-3747

July 28, 2011
Page(s): 2

**LIU: NYC BANKING COMMISSION
MISSES OPPORTUNITY TO HELP
NEW YORKERS FACING FORECLOSURE**

*Rubber-Stamps Approvals for Depositories, Liu to Explore Legislation
and Other Means to Spur Change at Mayoral-Controlled 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 designate 35 financial institutions as depository banks:

“Today the New York City Banking Commission rubber-stamped a motion to assign these banks the privilege to serve as depositories without first considering what, if any, role they are playing in the current foreclosure crisis. This obscure but powerful commission had the opportunity to engage financial institutions in a dialogue on how keep New Yorkers in their homes and they blew it by giving these banks a free pass.

“Most New Yorkers have never heard of the Banking Commission, which is controlled by City Hall and has been given broad authority to regulate financial institutions holding City deposits. As a result of today’s development, my office will be working with the City Council to enact legislation aimed at holding banks designated as depositories accountable to New York City homeowners and taxpayers. In addition, my staff will be analyzing ways to restructure the Commission in order to better serve New Yorkers.”

Background:

Banks are designated as depositories every two years. The Banking Commission meets quarterly, is staffed by the Department of Finance and consists of one representative from the Mayor, the Finance Commissioner and Comptroller Liu.

Comptroller Liu’s representative on the Banking Commission, Deputy Comptroller Alan van Capelle, sent a letter to his fellow Commission members in March outlining specific questions to be added to the designation forms required to be filled out by the banks. Although the proposal was in full accordance with Title 22, Section 1-03c(4) of the Rules of the City of New York which gives the Banking Commission authorization to request information regarding foreclosures and other banking activities, the Mayoral-controlled Commission voted to not support the measure.

Comptroller Liu has made foreclosure a key issue since taking office, both for the devastating results to New Yorkers and because of lingering effects this crisis has had on the City and national economies. As custodian of the City's Pension Funds, he has worked with the Pension Boards of Trustees to put forth shareholder resolutions calling on banks to enact investigations into their foreclosure practices and put controls in place to guard against any future foreclosure crisis. In addition, Comptroller Liu's Office has assisted hundreds of New Yorkers facing foreclosure through its Community Action Center.

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