



July 30th, 2020

Honorable James Sanders, Jr.
Chair, New York State Senate Banks Committee
Legislative Office Building, Room 711
Albany, NY 12247

Honorable Thomas J. Abinanti
Chair, Standing Committee on Banks, New York State Assembly
Legislative Office Building, Room 424
Albany, NY 12248

Chair Sanders & Chair Abinanti:

We write to express our support of the “*New York Public Banking Act*” (S.5565-C/A.9665-C) now before the NYS Senate Banks Committee and the NYS Assembly Standing Committee on Banks. This legislation creates a safe and appropriate regulatory framework for cities, counties, and regions seeking to establish public banks. It authorizes the NYS Department of Financial Services to issue special-purpose public bank charters, paving the way for public banking in New York.

Public banks are financial institutions created by a public entity (such as a city, county, or state) and chartered to serve the public interest. They hold public deposits and leverage those funds to support local economic development. Through public banking, New York City can reinvest in low-income communities and communities of color, strengthening our local economy, and advancing racial justice.

Even before COVID-19 struck, our city faced daunting challenges: an affordable housing crisis, record homelessness, persistent bank redlining, crumbling infrastructure, deteriorating mass transit, climate devastation, and more. Each of these crises disproportionately harms Black and brown communities. As the COVID-19 crisis exacerbates existing racial inequities, we share your commitment to taking bold action to transform our economy. We believe a public bank will help to ensure a just recovery and future for all New Yorkers.

A municipal public bank would democratize public finance and investment, leveraging billions of public dollars to support municipal and community-led economic development initiatives across New York City. For example, a public bank would:

- Partner with community development financial institutions, expanding access to **affordable financial services** in historically-redlined neighborhoods of color and immigrant neighborhoods.
- Deliver critical support to ventures that lack access to fair and affordable financing, such as community-controlled **renewable energy** projects and **small and cooperatively-owned businesses**, including MWBEs.
- Support limited-equity co-ops (HDFCs), community land trusts, and other non-speculative, deeply **affordable housing**.
- Channel capital to communities not served by our current financial system, promoting equity and **responsible lending**.

Under current state law, localities seeking to establish public banks must apply for a commercial bank charter. This forces local governments to retrofit their public bank business models into a regulatory system that was designed for private, for-profit enterprises. Passing the “New York Public Banking Act” this session will make it easier for cities like ours to establish public banks.

As we continue to work together to address structural barriers that block low-income New Yorkers, immigrants, and New Yorkers of color from mainstream banking, public banks will need to be a major part of the solution.

Thank you for your time and attention.

Sincerely,



Mark Levine
Council Member
7th District, Manhattan



Laurie Cumbo
Council Member
35th District, Brooklyn

Robert Cornegey, Jr.
Council Member
36th District, Brooklyn



Stephen Levin
Council Member
33rd District, Brooklyn



Diana Ayala
Council Member
8th District, Manhattan/Bronx



Farah Louis
Council Member
45th District, Brooklyn



Helen Rosenthal
Council Member
6th District, Manhattan



Keith Powers
Council Member
4th District, Manhattan



Antonio Reynoso
Council Member
34th District, Brooklyn/Queens



Adrienne E. Adams
Council Member
28th District, Queens



Brad Lander
Council Member
39th District, Brooklyn



Carlos Menchaca
Council Member
38th District, Brooklyn



Carlina Rivera
Council Member
2nd District, Manhattan



Alicka Ampry-Samuel
Council Member
41st District, Brooklyn



Margaret Chin
Council Member
1st District, Manhattan