

New York State Banking Department

Attachment B

Agency Programs/Activities: Inventory and Key Data

Relation to Core Mission (H/M/L)	Program/Activity	Spending Category (SO, ATL, CAP)	3/31/09 FTEs (All Funds)	General Fund Disbursements (\$000s)				State Special Revenue Funds Disbursements (\$000s)				Capital Projects Funds Disbursements (\$000s)			
				2006-07 Actual	2007-08 Actual	2008-09 Plan	2009-10 Projected	2006-07 Actual	2007-08 Actual	2008-09 Plan	2009-10 Projected	2006-07 Actual	2007-08 Actual	2008-09 Plan	2009-10 Projected
H	Foreign and Wholesale Banks	SO	118					15,492	17,202	16,969	18,246				
	Community & Regional Banks	SO	55					7,566	7,991	7,505	8,194				
H	Research & Technical Assistance	SO	58					5,660	6,218	6,490	7,041				
H	<u>Depository Regulation</u>	SO	231					28,718	31,411	30,964	33,481				
H	<u>Mortgage Banking Regulation</u>	SO	78					7,473	9,082	9,369	10,157				
H	<u>Consumer Regulation</u>	SO	33					3,863	4,005	3,871	4,126				
H	Money Transmitters	SO	13					1376	1595	1476	1611				
H	Check Cashers	SO	20					2043	2369	2193	2394				
H	Budget Planners	SO	5					552	640	592	646				
H	Sales Finance	SO	7					700	812	751	820				
H	Premium Financial Services	SO	4					447	519	480	524				
H	Licensed Lenders	SO	5					545	632	585	639				
H	<u>Licensed Financial Services Regulation</u>	SO	55					5,663	6,567	6,078	6,634				
H	<u>Direct Regulation of Industry</u>	SO	396					45,716	51,065	50,282	54,398				
H	Criminal Investigation Bureau	SO	22					2,629	2,963	2,949	3,191				
H	Legal Services	SO	12					2,041	2,061	2,185	2,367				
H	Information Technology	SO	19					3,939	3,860	4,377	4,296				
H	<u>Direct Regulatory Support</u>	SO	53					8,610	8,884	9,511	9,853				
H	<u>Revenue and Fiscal Administration</u>	SO	6					507	584	540	589				
H	<u>Executive Direction</u>	SO	11					1,008	1,290	1,517	1,639				
H	Facilities - Rents, utilities, etc.	SO	0					6,945	6,941	6,911	7,118				
H	Shared Costs - Phones, Postage, et.	SO	0					1,020	1,021	792	941				
H	Equipment & Maintenance	SO	0					213	180	231	238				
L	London Office	SO	0					1,647	951	299	0				
H	<u>Department Facilities</u>	SO	0					9,825	9,094	8,233	8,297				

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M	Information Technology	SO	6					1,313	1,287	1,459	1,432				
M	Internal Audit	SO	1					24	25	177	194				
M	Human Resources	SO	8					643	633	705	769				
M	Office Services	SO	10					624	685	650	708				
M	Finance Office	SO	9					760	876	809	883				
M	Legal Services	SO	4					680	687	728	789				
M	Department Support	SO	38					4,046	4,192	4,528	4,775				
M	Research & Technical Assistance	SO	7					968	1,064	690	758				
M	Training Unit	SO	5					1,340	1,462	1,218	1,220				
M	Research and Training	SO	12					2,308	2,526	1,909	1,978				
M	Consumer Services Division (CHU)	SO	9					1,100	1,124	1,026	1,114				
M	Communication and Media Relation	SO	3					570	288	359	398				
M	Consumer Assistance	SO	12					1,670	1,412	1,385	1,512				
M	Community Reinvestment Monitoring	SO	5					524	617	560	600				
L	ATM Inspections	SO	4					454	512	467	509				
L	Holocaust Claims Processing Office	SO	9					499	518	363	393				
L	Inspector General's Office Sub-allocation	SO	0					227	194	260	227				
L	Attorney General's Office Sub-allocation	SO	0					403	1,318	1,153	938				
L	Maintenance Undistributed	SO	0					630	1,512	1,413	1,165				
L	Seized Assets	SO						78	20						
L	General Fund - Laguardia	SO				125	125								
	NYSBD Total	SO	545	0	0	125	125	75,876	82,224	80,708	85,706	0	0	0	0
L	* Settlement - Aid To Localities								298	1,000	1,000				
	NYSBD Total - With ATL		545					75,876	82,522	81,708	86,706				
	Total Disbursements - 2006		75,876												
	Total Disbursements - 2007		82,522												
	Total Disbursements - 2008		81,833												
	Total Disbursements - 2009		86,831												

* Disbursements were included in Core Mission Budgeting Detail Report provided by DOB

Attachment C

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Depository Regulation

Mandate:

This activity is mandated by various sections of the Banking Law which provide examination/regulation activities necessary to ensure the safety and soundness of the financial industry.

Mandated Funding Level:

None

Brief Description/History/Background:

As the primary regulator for banks chartered in New York State we are entrusted to fulfill the mission of the Banking Department: to ensure the safe and sound conduct of our banking organizations; to maintain public confidence in the banking system; to protect the public interest and interest of depositors, creditors and shareholders; and to ensure that the financial responsibility, experience, character and general fitness of non-banking organizations is such as to command the confidence of the community and to warrant the belief that their business will be operated honestly, fairly and efficiently.

Applications

Applications are submitted by entities for a variety of business intentions including the establishment of a banking or non-banking organization; opening additional branch/s; conduct mergers and acquisitions; amendment to organization certificate; changing officers and adding new products. The level of application review is dependent on the complexity of the application type. Applications are required to be in writing, under oath and in a form prescribed by the Superintendent of Banks.

Examinations

On a regular schedule examinations are conducted on institutions books, records, and the licensees for safety and soundness and compliance with laws and regulations governing the institutions type. Most of the work is conducted at the institutions main office with support exam work being completed in the Banking Department Offices.

Issues:

Complex issues in financial services are rapidly changing. Effective regulation requires staffing and support levels that must be balanced with costs, federal competition and succession planning.

Population Served:

Depository institutions throughout the state, the financial industry as an employer in NYS, the public.

Performance Measures:

Timely completion of examinations according to mandated schedules. Ombudsman Survey to measure licensee's opinion about examiners' professional excellence, timeliness of service and value added; status reports maintained by examination divisions; applications received and processed; performance evaluation reports completed by supervisors for each unit.

Attachment C

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Consumer Regulation

Mandate:

Banking Law section 28-b, section 28-b(3)(a) and section 36

Mandated Funding Level:

None

Brief Description/History/Background:

Conduct examinations to review and examine applicant bank's compliance with the Community Reinvestment Act, state consumer protection laws and fair lending laws. Review for complaints against banks and level of lending in comparison to their assets. These activities are conducted to ensure fair treatment of borrowers and banking customers.

Issues:

Preemption of state consumer laws by federal regulators places increased emphasis on these activities

Population Served:

New York citizens as consumers of financial services.

Performance Measures:

Examinations conducted within mandated timeframes. Ombudsman Survey to measure licensee's opinion about examiners' professional excellence, timeliness of service and value added

Attachment C

**New York State Banking Department
PROGRAM INFORMATION SHEET**

Program: Licensed Financial Services Regulation

Mandate:

Money Transmitters--Banking Law 641 and 642, Check Cashers--BL 367 and SR 400.1, Budget Planners--BL 580 and 581, Licensed Lenders--BL 341 and 342, Sales Finance--BL 491 and 493 and Premium Finance--BL 555 and 556. Applications must be processed within 90 days from the time the application is deemed complete.

Mandated Funding Level:

None

Brief Description/History/Background:

The Superintendent shall have the power to examine the books and records and the licensee for safety and soundness and compliance. Money Transmitters must be examined annually, Check Cashers, Licensed Lenders, Sales Finance and Premium Finance companies must be examined every two years. Budget Planners must be examined every 18 months.

An application for a license is required to be in writing, under oath and in a form prescribed by the Superintendent. The Superintendent shall approve or deny the application.

Off site monitoring includes 1) analysis of examination results, 2) recommending supervisory action and following up on corrective action as required by supervisory action, and 3) analysis of reporting by the various industries as early warning of potential issues with licensees.

Issues:

Potential for misuse of funds from any one of the industries regulated could have an impact on access to funds. Failure to oversee adherence of money services businesses to BSA/AML standards could result in exploitation of the financial system for money laundering.

Population Served:

Unbanked, underbanked consumers in NYS.

Performance Measures:

Examinations are completed according to time frame. Ombudsman Survey to measure licensee's opinion about examiners' professional excellence, timeliness of service and value added; status reports maintained by examination divisions; applications received and processed; performance evaluation reports completed by supervisors for each unit.

Attachment C

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Direct Regulatory Support

Mandate:

This activity is carried out by the Banking Department under Banking Law Sections 9, 12, 17, 22, 36, 43, 77 and 78; Business Law Section 520c; Executive Law 4A; and the Financial Fraud Prevention Act.

Mandated Funding Level:

None

Brief Description/History/Background:

As the primary regulator for banks chartered in New York State and licensed non-bank entities, we are committed to ensuring that our staff are well informed and prepared with the right tools to fulfill the mission of the Banking Department: to ensure the safe and sound conduct of our banking organizations; to maintain public confidence in the banking system; to protect the public interest and interest of depositors, creditors and shareholders; and to ensure that the financial responsibility, experience, character and general fitness of non-banking organizations is such as to command the confidence of the community and to warrant the belief that their business will be operated honestly, fairly and efficiently.

As part of the oversight of the financial institutions chartered in NYS the Banking Department performs continuous monitoring and risk assessments that further ensures the stability of financial entities regulated by the Department. Some of the functions performed in the monitoring and supervision of the industry include exam reviews and analysis; processing of exam reports; research in the industry and trend analysis; bank profiles and risk assessments; investigations relating to alleged violations of Banking Law, corruption, fraud, criminal activity and conflicts of interest; background checks of individuals applying for charters and licenses; issuing scheduled reports on the industry.

Issues:

Utilization of IT and internal control resources more efficiently and effectively to assure safety and soundness of supervised institutions. Challenging and rewarding career path that will retain existing staff and attract new staff is a top priority.

Population Served:

The careful exam analysis, assessment and reporting of the industry regulated by the department serves all members of the public who have any interaction with financial institutions be it directly or indirectly. Additionally, Federal, State, and Local law enforcement and regulatory entities rely on the Banking Department activities for support and information.

Performance Measures:

Ombudsman Survey to measure licensee's opinion about examiners' professional excellence, timeliness of service and value added; status reports maintained by examination divisions; applications received and processed; performance evaluation reports completed by supervisors for each unit.

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Revenue/Fiscal Administration

Mandate:

Various sections of Banking Law, most notably §17, direct the Department to collect funds for its operating expenses through assessment of the industries it regulates.

Mandated Funding Level:

None

Brief Description/History/Background:

The Revenue/Fiscal Administration program provides all billing and revenue tracking functions for the Department. This includes all activities associated with the Department's general ledger and accounts management as well as budgetary analysis pertaining to revenue.

Issues:

A basic principle behind the assessment is the fair distribution of costs to the industries driving those costs. This can be challenging, both because of the interrelationships between financial industries, as well as the ability of the regulated industry to tolerate increases in its assessment. This second challenge is particularly evident in the mortgage industry. The mortgage crisis necessitates significant increases in regulatory oversight, while the industry base paying the assessment is decreasing as well as losing revenue.

Another challenge in assessing regulated entities comes from the need to make assumptions, often with little firm data to rely on. This is an issue because a significant change could result in significantly over or under billing the industries, which could result in burdensome assessment billing for some entities.

Population Served:

Regulated entities.

Performance Measures:

Timely issuance of bills.

Timely processing of monies received.

Reasonableness of variance in bills from the actual requirements.

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Executive Direction

Mandate:

This activity is carried out by the Banking Department under Banking Law; Business Law; Executive Law; and the Financial Fraud Prevention Act.

Mandated Funding Level:

None

Brief Description/History/Background:

The Executive Division provides direction and guidance to all Banking Department staff to guide the delivery of its core mission, most notably ensuring the safety and soundness of the institutions the department regulates.

A primary role of the Executive Division is ensuring that New York is engaged in state and federal discussions on financial regulatory reform. Engaging in discussions is vital to retaining a dual banking system and ensuring New York consumer protection laws are upheld.

Continued efforts by the Executive Direction area includes implementing components of the Governor's Subprime Legislative Package - implementation will continue throughout the 2009 - 2010 budget period.

Issues:

The Executive Division sets the direction and priorities for the Department and ensures that the Department is staffed, trained and equipped to deliver on the core mission of ensuring the safety and soundness of the institutions the Department regulates. The five key priorities of the Banking Department are: (1) to promote the dual banking system and enhance the New York State charter; (2) to strengthen consumer protection and enforcement efforts; (3) to expand economic development and economic inclusion; (4) to address critical staffing needs; and (5) to lead regulatory modernization and reform.

Population Served:

Banking industry, general public, and Banking Department.

Performance Measures:

Ombudsman Survey to measure our regulated entities' opinion about examiners' professional excellence, timeliness of service and value added. Applications received and processed.

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Facility and Operating Costs

Mandate:

None

Mandated Funding Level:

None

Brief Description/History/Background:

This program includes facility costs, utilities, equipment maintenance, postage and shipping, and other basic operating costs to support the agency's core mission.

Issues:

Rising cost of fuel are driving higher costs in a wide range of areas including utility costs and facility tax escalation costs.

Population Served:

Banking industry, general public, and Banking Department

Performance Measures:

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Department Support

Mandate:

Many of the functions carried out in this activity are governed by the State Finance Law, Civil Service Law and Executive Law.

Mandated Funding Level:

None

Brief Description/History/Background:

The Agency Support Functions of the Banking Department provide essential services that enable the Department to deliver on its core mission activities in an efficient and cost effective manner. Included in this program are procurement of goods and services needed for the operation of agency divisions; recruitment and hiring of knowledgeable and qualified staff, payroll functions, training of staff to enable them to perform the necessary regulatory functions for our agency; distribution of mail; internal review of agency procedures and practices to ensure compliance with NYS fiscal, legal and regulatory requirements; maintenance and adequacy of facilities; and the efficient utilization of advancing computer technologies while maintaining legacy systems for continuity of operations.

Issues:

Staffing Services: A primary challenge in this program area is the loss of Department staff and associated knowledge and expertise, coupled with difficulty in identifying and attracting qualified, motivated applicants willing to join State service. The current condition of the financial market has eased this situation somewhat, as private industry opportunities dwindle.

The Banking Department has undertaken an initiative to upgrade current legacy systems and applications to more reliable, cost effective and accurate data tracking and manipulation programs. These legacy systems were built many years ago with a level of expertise that is no longer available to the Department. We must continue and complete this transition.

Population Served:

Banking industry, general public, and Banking Department

Performance Measures:

Timely processing of contracts and payments.
Timely processing of new hires, as well as departing employees.
Timely and meaningful audits and internal control certifications.

Attachment C

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Research/Training

Mandate:

Surveillance Systems-Sec 43 Banking Law; Sec 12-a(8)a Banking Law; Sec 9q Banking Law; Sec 17 Banking Law; Sec. 520-c Business Law

Mandated Funding Level:

None

Brief Description/History/Background:

Research responds to requests from regulatory activity areas and under Executive Direction for data collection and analysis to support review during examinations and while researching regulation changes.

Training of new examiners brought into the Department: This is a two-year specialized training program that combines classroom and on the job training.

Issues:

Provision of proactive training for examination and management staff. Quickly identify skills needed by examiners for supervising banking and non-banking entities and obtain related training programs. Maintain staff training sufficient for Department to retain its certification with CSBS. Provide adequate training opportunities for clerical and administrative staff.

Population Served:

General public, the Legislature, NYSBD Executive and other operating and examination Divisions.

Performance Measures:

Timeliness and Accuracy

55 days of class training; complete rotation to 5 examination divisions for on-the-job training.

Attachment C

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Consumer Assistance

Mandate:

None

Mandated Funding Level:

None

Brief Description/History/Background:

Consumer Help Unit provides assistance to consumers seeking answers to basic banking questions, or resolution of issues with state chartered institutions. Communications and Media Relations represents the Banking Department to external audiences, communicates events to the public, participates in outreach programs, updates the website, writes and distributes press releases and manages media relations for news coverage.

They also provide the public with information regarding the Banking Department's initiatives, receive and provide input on issues affecting consumer needs, and respond to complaints and inquiries regarding financial institutions.

Issues:

Must deliver clear and concise information that is easily understood by the public

Must maintain consumer confidence in NYSBD regulated entities

Population Served:

Consumers, outside media, general public and Banking Department employees

Performance Measures:

Number of complaints resolved and amount of restitution gained for consumers.

Percent of the number of publications of the NYSBD dedicated to publish mission, research studies, general services, and attainments to the public.

Number of conferences, seminars, and other events with participation of the NYSBD's representatives and speakers.

Attachment C

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Community Reinvestment Monitoring

Mandate:

Banking Law section 96-d

Mandated Funding Level:

None

Brief Description/History/Background:

The Banking Department reviews applications of local governments and banks requesting designation of a banking development district in underserved geographic areas; reviews demographic areas to determine financial services needs for consumers and small business, and assesses the performance of banks in meeting the needs of the community.

Issues:

The current economy and its impact on development and growth in all areas , primarily underserved geographic areas.

Population Served:

Office of the State Comptroller

Performance Measures:

Number of Bank Development Districts (BDD) during the fiscal year.

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: ATM Inspections

Mandate:

BL Article II-AA-ATM Safety Act

Mandated Funding Level:

None

Brief Description/History/Background:

The NYS Legislature mandated that ATM's located at, and operated by, banks meet specified criteria for safety (lighting, film, etc.). The law charges the Banking Department with inspecting such sites for compliance.

Issues:

Difficulty in hiring qualified ATM inspectors has brought to the fore front the risk that ATM safety deficiencies will not be detected to the detriment of the general public. Inspection requirement applies to state and national bank ATMs and does not cover non-bank ATMs.

Population Served:

Banking industry and general public.

Performance Measures:

Number of ATM inspections completed each year.

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Holocaust Claims Processing Office (HCPO)

Mandate:

Executive Order #50 under Governor George Pataki in 1997.

Mandated Funding Level:

None

Brief Description/History/Background:

The Holocaust Claims Processing Office was established by Executive Order in 1997 to provide institutional assistance to Holocaust victims and their heirs with Holocaust-era asset restitution claims for art, insurance and bank related assets at no charge to the claimant.

Issues:

National legislation is pending that would rely on HCPO, through agreement with NAIC, to monitor and add reporting requirements. While HCPO currently monitors claims, it is uncertain what volume this new publicity will generate.

Population Served:

Holocaust victims and their heirs.

Performance Measures:

Number of claims completed each year.

New York State Banking Department
PROGRAM INFORMATION SHEET

Program: Maintenance Undistributed

Mandate:

Executive Order - Budget Line Item

Mandated Funding Level:

None

Brief Description/History/Background:

Suballocations with the NYS Inspector General's Office and with the NYS Attorney General's Office for the support of the Crime Proceeds Strike Force.

Issues:

Population Served:

General Public

Performance Measures: