

A Pathway for Local Public Banking

New York Public Banking Act¹

NYS Matching Fund²

NYS Department of Financial Services

Approval

Oversight



Local government develops business plan, articles of incorporation, and by-laws for the bank.

Governance structure promotes accountability, transparency, independence, and community input.

Application must demonstrate, e.g.:

- > bank will serve a public purpose
- > policies and procedures prohibiting elected officials from receiving loans or other benefits from the bank
- > adequate reserves and liquidity
- > bank will not have a negative financial impact on the local government

Bank meets strict initial capitalization requirements.

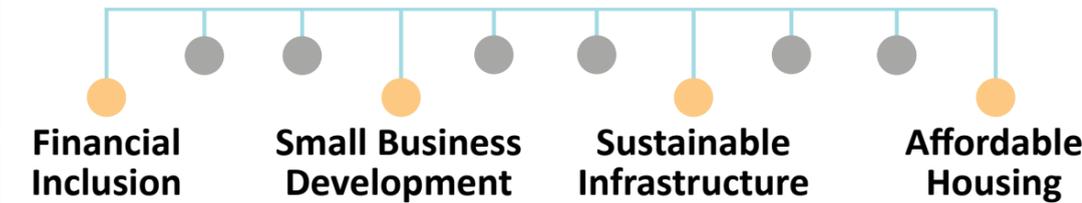
Capital may be raised through budget appropriations, bonds, issuing passive minority ownership stock, philanthropic support, and/or federal stimulus funds.

Bank receives and leverages local government deposits, and maintains FDIC insurance for third-party deposits up to \$250,000.

Lending policies prioritize affordable housing, small businesses and MWBEs, renewable energy, infrastructure, small farms, early childhood education and child care, and other initiatives focused on serving underserved communities.

Public banks partner — rather than compete — with local banks and credit unions, including CDFIs, to drive responsible lending in low-income communities throughout the state.

Economic Impact
 For every \$100 million that NYS provides in matching capital grants, local public banks will be able to lend an additional \$1.2 billion to support local economic development. Over ten years, that would translate into \$15 billion in new economic activity and 47,000 jobs created in New York State.³



Federal Relief Funds

Historic opportunity to stretch stimulus dollars over decades

¹ NYPBA creates a safe and appropriate regulatory framework for cities and counties seeking to establish public banks, and authorizes DFS to issue special-purpose public bank charters.

² The NYS Matching Fund would provide matching funds to New York cities and counties, using federal stimulus dollars, to help capitalize local public banks that will invest in communities hardest-hit by the pandemic.

³ U.S. Bureau of Economic Analysis's Regional Input-Output Modeling System