



## **FAR TOO MANY NEW YORKERS ARE UNBANKED**

National estimates show that 9.5 percent of Americans, including nearly one-quarter of the minority population, are “unbanked”. In New York City alone that means that close to 800,000 people lack banking services for one reason or another. They do not use banks when cashing checks, paying bills or transmitting money- let alone buying homes. Having greater access to banking services encourages New Yorkers who may not have banking relationships to become part of the financial mainstream. BDD bank branches can help provide the services necessary to stimulate local economies by enhancing access to capital for local businesses, promoting long-term economic development, fostering job creation and promoting community stabilization and revitalization.

## **WHAT ARE BANKING DEVELOPMENT DISTRICTS (BDDs)?**

Section 96-d of the Banking Law, 'Banking Development Districts', is designed to encourage the establishment of bank branches in areas with a demonstrated need for banking services. For communities undergoing or planning revitalization, there are few more potent symbols of hope than the opening of a new bank branch. It can be a key element to making revitalization a reality: facilitating access to the credit, investments and services that individuals, businesses and community institutions need to grow and prosper. A new branch signals confidence in the future, regardless of what may have taken place in the past.

## **ENRICHED BDD PROGRAM**

In late 2004, the New York State Banking Department formed the *Banking Development Working Group* to examine economic development issues in underbanked areas of the city and to develop an Enriched BDD program. Comprised of key personnel from city and state agencies and community development experts, the Working Group aims to enhance access to bank services for businesses and consumers – especially in areas of New York City that are underserved by banks. Using the BDD legislation as a guide, the Working Group identified eleven NYC communities that are decidedly lacking in bank services. To heighten the appeal of the program, the Working Group has packaged a menu of additional state and local incentives and resources, making them available to banks that are successful in their application for an Enriched BDD designation.

## **ENRICHED BDD APPLICATION PROCESS AND PROJECT SELECTION**

In order to receive a BDD or Enriched BDD designation a bank – in partnership with a local government (in NYC, e.g. the Mayor or a Borough President) – must file an application, which can be downloaded from the Banking Department Website (<http://www.banking.state.ny.us/bddkit.pdf>).

Applicants must (1) clearly define the current and anticipated bank product and service needs of the community; (2) demonstrate that these needs are not currently being met by other nearby institutions; and (3) show that by coming into the community, the institution in question is prepared to specifically meet these unmet needs.

The New York State Superintendent of Banks approves all BDD applications and, in the case of Enriched BDDs, works with partner departments and agencies to make additional incentives, such as real estate tax abatements and job creation credits available.

## **ELIGIBILITY CRITERIA FOR BANKS**

Commercial banks, savings banks and savings and loan associations can participate. Both state and federally chartered institutions are eligible.

### **TAKE ADVANTAGE OF THIS OPPORTUNITY TO BRING FINANCIAL SERVICES TO UNDERBANKED COMMUNITIES IN NEW YORK**

While an institution may see the long-term potential of branching into a newly served area, there is often the short-term concern that it may take a number of years before it can attract enough retail deposits to become viable. The Enriched BDD program can make a real difference.

Banks that successfully apply for an Enriched BDD Designation are eligible to receive a number of additional city and state incentives.

## ENRICHED BDD INCENTIVES

THE INCENTIVES LISTED BELOW ARE AVAILABLE FOR APPROVED NYC ENRICHED BDD BANK BRANCHES

<b><i>Access to Below Market Public Funds</i></b>	<p>More than \$100 million in public funds is available for deposits in new BDD branches.</p> <p><b>City Level</b> (\$ amounts from recent BDDs):</p> <ul style="list-style-type: none"> <li>- The maximum below-market rate deposit for any BDD branch is \$10 million with the interest rate set at 50 basis points below market rate with a floor of 50 basis points on a two-year basis</li> </ul> <p><b>State Level:</b></p> <ul style="list-style-type: none"> <li>- Negotiated directly with State Comptroller’s Office.</li> </ul>
<b><i>Real Property Tax Breaks</i></b>	Real property used for the bank branch may be exempt from taxation and special <i>ad valorem</i> levies for a period of ten years.
<b><i>Municipal deposits and other deposits</i></b>	BDD Savings bank branches can <b>receive municipal deposits</b> .
<b><i>CRA Consideration</i></b>	Banks will receive highly <b>favorable CRA consideration</b> for branches in BDDs.
<b><i>Real Estate Assistance</i></b>	Staff from the NYC Department of Small Business Services, the Empire State Development Corporation and NYC Housing Authority will <b>help banks locate suitable commercial space</b> for branches.
<b><i>New York City Tax Incentives</i></b>	BDD branches may qualify for <b>New York City’s Commercial Expansion Program (CEP)</b> , a package of tax benefits designed to help qualified businesses to relocate and expand in Expansion Areas in New York City.
<b><i>Empire Zone Benefits</i></b>	If a BDD branch falls within the boundaries of a NYS Empire Zone, a set of financial incentives may be available including <b>job credits</b> and <b>sales tax and property tax exemptions</b> .
<b><i>Workforce development</i></b>	<b>Customized training</b> may be developed for tellers, back-office/administrative staff, information technology, security and other select job categories.
<b><i>Financial Education</i></b>	NYS Banking Department will link a BDD branch with organizations providing financial education and facilitate contacts with community groups.



As of April 2008, 38 BDD designations have been granted throughout New York.

- 25 are in New York City
- 5 are in Buffalo
- 8 are in areas outside Buffalo/New York City

New York City - 25 BDD Branches		
Brooklyn - 8 BDD Branches		
Designated	Bank	BDD Geography
January 31 2008	<b>Amalgamated Bank</b>	A portion of Sunset Park in Brooklyn.
September 4 2007	<b>Amalgamated Bank</b>	A portion of Bedford-Stuyvesant and Stuyvesant Heights in Brooklyn.
July 6 2007	<b>North Fork Bank</b>	A portion of Clinton Hill, Fort Greene and Bed-Stuy in Brooklyn.
May 22 2006	<b>Cross County Federal Savings Bank</b>	A portion of Greenpoint and Williamsburg in Brooklyn.
May 23 2005	<b>Commerce Bank</b>	A portion of Windsor Terrace, Borough Park, Kensington, Flatbush, E. Flatbush, Lefferts Gardens & Midwood in Brooklyn.
January 20 2004	<b>City National Bank of New Jersey</b>	A portion of the East New York section of Brooklyn.
October 10 2000	<b>Carver Federal Savings Bank (formerly Community Capital Bank)</b>	A section of Sunset Park in Brooklyn.
July 13 2000	<b>Sovereign Bank (formerly Independence Community Bank)</b>	A section of Red Hook in Brooklyn.
Bronx - 5		
Designated	Bank	BDD Geography
April 11 2008	<b>Amalgamated Bank</b>	Community Board 5 in the Bronx.
September 26 2006	<b>City &amp; Suburban Federal Savings Bank</b>	A portion of the Soundview area in the Bronx.
March 10 2006	<b>Ridgewood Savings Bank</b>	A portion of the Williamsbridge area of the Bronx as a BDD.
November 14 2000	<b>Citibank (formerly European American Bank)</b>	Community Board 3 in the Bronx.
July 31 2000	<b>New York National Bank</b>	Community Board 1 in the Bronx.

### Manhattan - 7

Designated	Bank	BDD Geography
August 2007	<b>North Fork Bank</b>	A portion of East Harlem in Manhattan.
May 3 2006	<b>North Fork Bank</b>	A portion of the Lower East Side of Manhattan.
February 8 2006	<b>Citibank, N.A.</b>	A portion of Central Harlem in Manhattan.
January 5 2006	<b>Banco Popular North America</b>	A portion of the Lower East Side of Manhattan.
December 1 2005	<b>Carver Federal Savings Bank</b>	A portion of Northern Harlem in Manhattan.
July 24 2001	<b>New York National Bank</b>	Roosevelt Island in Manhattan.
March 9 2001	<b>Carver Federal Savings Bank</b>	A portion of South Central Harlem.

### Queens - 3

Designated	Bank	BDD Geography
September 18 2006	<b>Amalgamated Bank</b>	A portion of Long Island City in Queens.
March 7 2005	<b>New York Community Bank</b>	A portion of Corona Heights, Queens.
April 9 2004	<b>Carver Federal Savings Bank</b>	A portion of the South Jamaica section of Queens.

### Staten Island - 2

Designated	Bank	BDD Geography
July 21 2005	<b>Victory State Bank</b>	A portion of Stapleton and Rosebank in Staten Island.
December 16 2002	<b>Victory State Bank</b>	The St. George section of Staten Island.

### Buffalo - 5

Designated	Bank	BDD Geography
August, 2006	<b>Upstate National Bank</b>	Town of Theresa in Jefferson County.
October 26, 2006	<b>First Niagara Bank</b>	A portion of South Ellicott in Buffalo.
July 7 2006	<b>M&amp;T Bank</b>	A portion of the Jefferson area of Buffalo.
December 15 2005	<b>First Niagara Bank (formerly Greater Buffalo Savings Bank)</b>	A portion of the West Side of Buffalo.

July 23 2002	<b>First Niagara Bank (formerly Greater Buffalo Savings Bank)</b>	The Masten District and a portion of the University District in Buffalo.
<b>Other - 8</b>		
Designated	Bank	BDD Geography
February 27 2008	<b>City National Bank of New Jersey</b>	Portion of New Cassel, Town of North Hempstead in Nassau County.
April 19 2006	<b>Savannah Bank, NA</b>	The Town of Mentz, in Cayuga County.
April 11 2006	<b>Adirondack Bank</b>	The Village of Holland Patent and a portion of Oneida County.
February 27 2006	<b>Walden Federal Savings and Loan Association</b>	The Town of Mount Hope, including the Village of Otisville.
September 1 2004	<b>Pioneer Savings Bank</b>	The Village of Green Island.
June 25 2001	<b>The Lyons National Bank</b>	The Village of Jordan, Onondaga County.
July 27 2000	<b>BANK CLOSED Herkimer County Trust Bank</b>	The Village of Oriskany in Oneida County.
April 8 1999	<b>Union State Bank</b>	A portion of Spring Valley in Rockland County.