NEW YORK BANKERS ASSOCIATION NYBA

JANUARY 2026



ALBANY AGENDA


126 banks are headquartered in New York State

NYBA members employ **138,455** people

NYBA members pay industry employees **$32.2 billion** in total Annual Compensation & Benefits

NYBA members safeguard **$2.4 trillion** in deposits

PRIORITIES AGENDA

THE NEW YORK BANKERS ASSOCIATION represents the smaller community, mid-size regional, and large banks across New York, both federally and State chartered, and proudly supporting consumers, businesses, and communities throughout the State. Every bank-from the smallest to the largest- has a critical part to play in our financial ecosystem, to the benefit of New Yorkers.

Every day, NYBA members ensure that our banking system is safe and sound and that deposits are protected and insured, while providing lending, support and partnership to New Yorkers to help them realize their dreams.

We will continue to advocate for policies that support banks of all sizes, regions and charters so they can best serve their customers and communities, while supporting efforts to enhance access and equity, ensure a level playing field among competitors, and promote a dynamic financial system to benefit New York.

All data as of Q4 2023, with the exception of volunteer hours, community donations and total customers, which are estimates.

OUR PRIORITIES

EXPANDING EQUITABLE AND INCLUSIVE ACCESS TO SAFE BANKING PRODUCTS AND SERVICES

NYBA has always had as one of its missions making banking accessible to New Yorkers in order to introduce generations of consumers to the advantages of banking with a reliable community partner- their neighborhood banks. We continue to support similar measures so that vulnerable New Yorkers can have access to our safe, highly regulated, and accountable banking system. Most recently, NYBA members across the State have been joining the Bank-On movement, providing nationally certified no fee accounts, to ensure that all New Yorkers have access to safe and affordable bank accounts. At the State level, NYBA supports efforts to continue to expand equitable and inclusive access to safe, insured and regulated banking products and services.

- **Oppose the creation of a public bank.** NYBA strongly believes that any perceived prospective benefits of a public bank will outweigh the many risks, including the prospect of precarious loan making with little capitalization, a lack of proper FDIC insurance and regulatory oversight, a scattered business focus, and the potential for external influence on lending and other decisions. It would also devastate our community banks, whose operations are dependent on the municipal funds that would necessarily be extracted to create a public bank, thus leading to a loss of business growth, lending opportunities, jobs and tax revenue in these communities.

- **Support the Improvement and Expansion of the Banking Development District (BDD) Program.** While its underlying purpose and intent is a good one, the BDD program has been mired in bureaucracy and an outdated view on the necessity for brick and mortar branches in this digital world. Improvements to this program would utilize an existing reliable framework to achieve the goals of expanded access to the banking system.

- **Expand support for Community Development Financial Institutions (CDFIs) and Minority Deposit Institutions (MDIs).** CDFIs and MDIs deliver vital financial services to marginalized communities across the State and are typically embedded within those communities. The State's CDFI Fund has been underutilized and much more can be done. We support efforts to expand the CDFI Fund and other capital access programs that benefit our CDFIs and MDIs.

- **Promote financial empowerment through financial literacy.** By helping to ensure that New Yorkers understand the range of services available to them in the financial services market, and how they can safely access those services, financial empowerment remains a key component of equitable access to financial services. NYBA supports a strong State role in expanding financial empowerment efforts throughout New York.

ENSURING A LEVEL PLAYING FIELD BY MAINTAINING CONSISTENT REGULATORY STANDARDS TO PROMOTE FAIR COMPETITION AND GROWTH

Banks enjoy a consistently high level of public confidence because they are among the most regulated and closely supervised of any industry. Subject to myriad State and federal laws and regulations as well as compliance examinations, these rules govern every aspect of their business. Thus, banks offer levels of safety, transparency, and consumer protection that are unparalleled anywhere in the financial services sector. We welcome that scrutiny, as government oversight is essential to maintaining the shared goal for the safety and soundness of our financial system. NYBA supports legislative initiatives that hold non-bank financial service providers to the same high-standards of transparency and consumer protection to ensure a level playing field among all.

- **Oppose allowing credit unions the ability to take public or municipal deposits and instead, expand the program to mutual institutions, which serve similar original missions and are already proven to serve that purpose.** While the State can and should expand access to public and municipal deposits for better access and options, credit unions are not subject to or examined on the Community Reinvestment Act (CRA), pose risks because of less stringent capitalization and cybersecurity requirements, and do not pay most taxes. Therefore, they should not be authorized to take public tax deposits. Instead, we support providing these deposits to mutual institutions, whose mission, purpose and community focus are in perfect alignment for public deposit authority.

- **Scrutinize whether credit unions are fulfilling their statutory mission.** Credit unions are exempt from CRA and most use and sales taxes, privileges extended to them in service of their non-profit status and their mission to serve low and moderate- income communities. Yet credit unions have undergone a period of rapid and significant expansion, becoming some of the largest financial institutions in some parts of the State, and studies show that these credit unions target affluent areas for their branch locations, not marginalized communities. Further, despite recently being granted access to the BDD program in order to better serve underbanked communities, only two credit unions- of the nearly 500 in New York- have applied for the designation. NYBA urges the legislature to scrutinize whether the State's credit unions are fulfilling their core mission.

- **Apply Community Reinvestment Act (CRA) and other bank requirements to credit unions.** Banks are proud of their contributions to New York communities, many of which are realized through their commitment to CRA requirements to show concrete, measurable progress extending services to underserved communities. CRA requirements, however, do not apply to credit unions, notwithstanding their significant growth in recent decades, and their privileged position

NYBA MEMBERS DEVOTE 529,700 EMPLOYEE HOURS TO VOLUNTEERING

205.8

NYBA members make **$205.8 million** in community donations

as largely exempt from sales and use taxes. We applaud the State's recent decision to apply CRA requirements to non-bank mortgage lenders, and we support further expanding this by subjecting credit unions to CRA requirements.

- **Ensure regulatory parity between banks, fintechs, digital asset providers, and other non-bank financial service providers.** Technological advancements and other developments have increased the ability of non-bank entities to offer loans and other financial service products to New Yorkers. Often, they operate through novel technologies or business models which remain largely outside of any effective regulation. NYBA supports legislative efforts to ensure that new market entrants in the financial services sector are held to the same rigorous legal and regulatory standards of safety and consumer protection as banks. While NYBA supports efforts to responsibly regulate non-bank financial service providers, proposals targeting "Buy Now, Pay Later" lenders, Peer-to-Peer mobile payment platforms, and similar FinTech provider products should not create duplicative and unnecessary new requirements for banks, which unlike FinTechs are already subject to expansive regulatory oversight.

- **Ensure parity between State and federally-chartered banks.** State-chartered banks are most often smaller, community banks who perform an outsized role in New York communities, serving as engines of local economic growth and committed hometown philanthropists. State regulatory standards that deviate from standards applicable to national banks, particularly if they impose unique obligations or burdens, erode the value of New York's charter and incentivize State banks to convert to national banks. The erosion is even more pronounced when consumer protections, data privacy, and other issues treated appropriately as prudential regulatory matters under federal law are instead consigned to the authority of New York's Attorney General for civil prosecution. We oppose such initiatives but support those that promote regulatory parity with national banks.

- **Oppose legislation that would exclude sales tax and gratuities from the calculation of interchange fees.** This type of legislation could lead to a fragmented and inefficient payment system, heighten costs for small businesses and consumers, and disproportionately harm State-chartered institutions. We oppose such initiatives and continue to coordinate opposition to this and other interchange-related bills with a national coalition of stake-holders, including state banking associations from around the country.

PROMOTING AND SUPPORTING A DYNAMIC FINANCIAL SYSTEM FOR THE BENEFIT OF ALL NEW YORKERS

NYBA members are proud to contribute to the State's overall economic success, as some of the largest employers, taxpayers, and philanthropists. Our commitment to community is strong and unwavering. We respectfully request that certain measures pending before the legislature be carefully considered.

- **Responsibly protect data privacy without unnecessary and confusing duplication.** While NYBA supports the shared goal of protecting consumer privacy, health privacy and personal information, the financial industry is already subject to stringent data protection requirements under federal law. While understanding of the foundation for the legislation, NYBA is seeking an entity level exemption from any law that changes data privacy requirements in New York, as has been granted in other States with similar legislation.

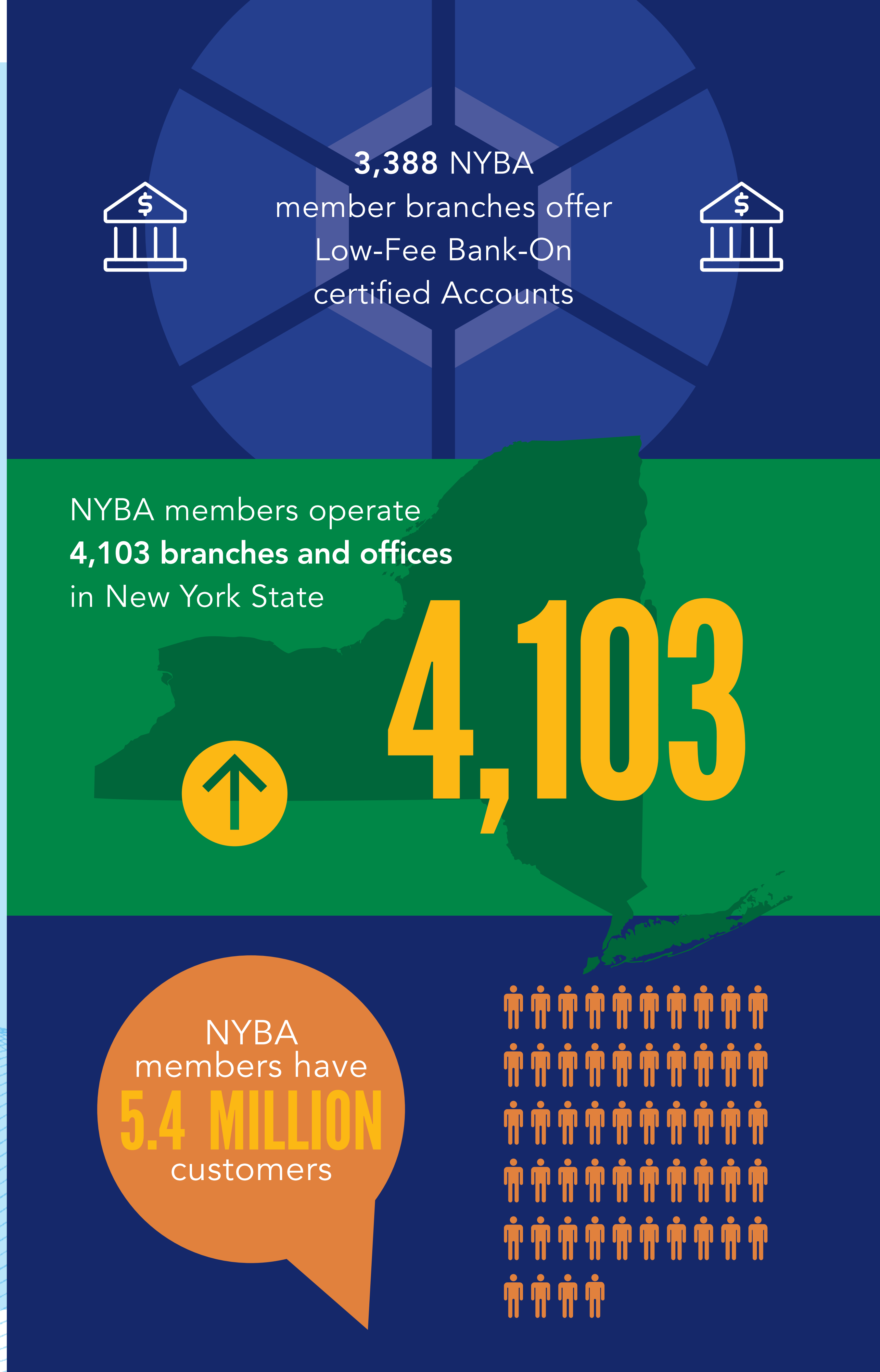
- **Take a measured, risk-based approach to artificial intelligence policy.** New York should proceed thoughtfully as it considers legislation and regulation governing artificial intelligence. Banks support guardrails that prevent discriminatory or harmful uses of AI, but it is equally important to recognize that AI is a critical tool in protecting consumers. Banks rely on AI to detect fraud in real time, prevent identity theft, combat elder financial exploitation, and make faster, more consistent decisions that expand access to financial services. Overly prescriptive or duplicative requirements risk weakening consumer protection, slowing innovation, and creating unintended consequences that ultimately harm the very individuals these policies seek to protect.

A NOTE TO THANK YOU

On behalf of the 100+ banks throughout the state, thank you for recognizing the essential role that banks play in New York's economic ecosystem. NYBA and our members are here as a trusted resource—ready to answer your questions and support your work on behalf of the people of New York.

As you've seen above, NYBA is proud to represent a diverse and dynamic banking industry—ranging from small community banks to some of the largest financial institutions in the world, all working toward a shared goal: supporting New Yorkers, safeguarding the financial system, and fueling economic opportunity across the State.

We remain focused on advocating for policies that strengthen access, equity, and competitiveness, while ensuring banks of all sizes and charters can continue serving their communities effectively. For a deeper look at the key issues affecting New York's banks, we invite you to scan the QR code on the back cover for more detail on NYBA's current advocacy work.



SCAN HERE FOR ADDITIONAL MATERIALS AND MORE DETAILS ON NYBA'S CURRENT ADVOCACY WORK

NEW YORK BANKERS ASSOCIATION NYBA

COMMITMENT TO COMMUNITY

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