



NEW YORK CITY BANKING COMMISSION

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Mary Christine Jackman, *Secretary*

NYC Banking Commission Meeting Minutes May 13, 2025

Attendees:

- Reggie Thomas, Chief Policy Advisor for the First Deputy Mayor, Representative of the Mayor
- Annie Levers, Deputy Comptroller for Policy, Representative of the Comptroller
- Mary Christine Jackman, Asst. Commissioner and Treasurer, Representative of the Commissioner of the Department of Finance (DOF)
- Hua Tan, DOF, Treasury Division, Banking Commission Support
- Flora Zhou, DOF, Treasury Division, Banking Commission Support
- Zhanna Kasyanova, DOF, Treasury Division, Banking Commission Support
- The General Public was invited

I. The roll was called.

II. The minutes from the May 9, 2024 meeting were unanimously accepted. Annie Levers then motioned to approve the minutes, and Reggie Thomas seconded the motion.

III. Mary Christine Jackman read the following resolution to the Commission for vote:

RESOLUTION NO. 1 – FY2026 EARLY PROPERTY TAX PAYMENT DISCOUNT RATE RECOMMENDATION

WHEREAS, pursuant to Section 1519-a of the New York City Charter, the Banking Commission shall send a written recommendation to the City Council of a proposed discount percentage for the early payment of property taxes for the ensuing fiscal year no later than the thirteenth of May, and

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WHEREAS, The Banking Commission's impact analysis for FY2026 projects that the return on investments will result in approximately **\$29.6 million** of interest earned on taxes collected early. This will more than offset estimates of forgone tax revenue of negative **\$7.6 million** (discount given) plus forgone interest income on forgone taxes of **(\$359k)**, resulting in a net gain in revenue to the city of approximately **\$21.7 million**, and

WHEREAS, Semi-annual payers are billed twice per year and Quarterly payers four times, at an estimated total cost of \$7.40 per invoice. When taxpayers pay their entire year's property tax early, eliminating the need for further billing, the City saves from processing fewer invoices. In FY2025, a total of **111,006** property owners made early payments saving NYC an estimated **\$1.6 million** in invoicing and administrative costs. If similar savings are realized in FY2026, the total impact of the **0.50%** discount will be a positive **\$23.3 million**, and

WHEREAS, New York City's Cash Flow projection for June 30th, 2025, the end of FY25, is approximately **\$6.8 billion**. The Banking Commission does not recommend increasing the discount rate from 50 bps (0.50%) to 100 bps (1.0%). A 1.0% rate will not materially increase the cash flow but would further reduce the City's tax revenue from negative **\$7.6 million** to negative **\$15.2 million**, and

WHEREAS, there is no economic reason for the Banking Commission to change the discount rate of 50 bps (0.50%) in FY2026. The impact of having this discount rate in place translates to a total net gain to the city of positive **\$23.3 million**. If the **statutory default rate of 120 bps (1.20%)** were to be invoked, the City's net loss would be negative **\$18.2 million**. If the Banking Commission were to increase the discount rate to 100 bps (1.0%), this would result in a revenue loss of approximately **\$15.2 million**; now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council that the discount rate for the early payment of real property taxes shall remain at 50 basis points (0.50%) per annum for FY2026, and be it further

RESOLVED, that said discount rate is to be offered only for that portion of the real estate tax that is paid before the due date.

*Reggie Thomas motioned to approve the resolution. Annie Levers seconded.
Resolution No. 1 was unanimously approved.*

Dated May 13, 2025

RESOLUTION NO. 2 – FY2026 LATE PAYMENT RATE FOR CERTAIN PROPERTY TAX PAYMENT PLANS RECOMMENDATION

WHEREAS, pursuant to Local Law 36 of the City of New York 2023, the Banking Commission shall

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send a written recommendation to the City Council of a proposed late payment interest rate for the late payment of certain property tax payment plans for the ensuing fiscal year no later than the thirteenth of May, and

WHEREAS, the May 2025 Applicable Federal Rate is **4.05%**, which under Local Law 36 of 2023 must be rounded to the nearest half a percentage point for a base rate of **4.50%**, and

WHEREAS, the Applicable Federal Rate has decreased almost **101** basis points since last July, and

WHEREAS, a rate lower than the current Applicable Federal Rate has further tax implications for the people the law was written to help; now, therefore be it

RESOLVED, the Banking Commission recommends to the City Council that the late payment rate for certain Property Tax Payment Plans shall be set at **five percent (5%)** per annum for FY2026.

*Annie Levers motioned to approve the resolution. Reggie Thomas seconded.
Resolution No. 2 was unanimously approved.*

Dated May 13, 2025

RESOLUTION NO. 3 – FY2026 LATE PROPERTY TAX PAYMENT INTEREST RATE RECOMMENDATION FOR PROPERTIES ASSESSED NO MORE THAN \$250,000

WHEREAS, pursuant to the New York City Administrative Code Section 11-224.1, the Banking Commission is required to recommend to the City Council, no later than the thirteenth of May, the proposed interest rates to be charged for non-payment of taxes for properties with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, and

WHEREAS, the proposed interest rate shall be at least equal to the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

WHEREAS, the Banking Commission notes that as of May 13, 2025, said prime rate stands at **7.50 percent (7.50%)**, as published by the Board of Governors of the Federal Reserve System, and

WHEREAS, the Federal Reserve plans to keep rates at these levels for an extended period of time. This decision was influenced by concerns about the rising risks of higher unemployment and inflation. At this time there is much uncertainty in the global economy, and the FOMC does not expect it will be appropriate to reduce the target rates until it has gained greater confidence that inflation is moving sustainably toward 2 percent, and

WHEREAS, it is in the City’s best interest to encourage the prompt payment of property taxes by all taxpayers, now therefore, be it

RESOLVED, the Banking Commission recommends to the City Council that the late payment interest rate to be charged for non-payment of taxes for all properties with an assessed value of not more than two hundred fifty thousand dollars (\$250,000), or not more than two hundred fifty thousand dollars (\$250,000) per residential unit for co-ops, be set at eight percent **(8%)** per annum for FY2026.

*Reggie Thomas motioned to approve the resolution. Annie Levers seconded.
Resolution No. 3 was unanimously approved.*

Dated May 13, 2025

**RESOLUTION NO. 4 – FY2026 LATE PROPERTY TAX PAYMENT INTEREST RATE
RECOMMENDATION FOR PROPERTIES ASSESSED GREATER THAN \$250,000 BUT LESS
THAN OR EQUAL TO \$450,000**

WHEREAS, pursuant to Local Law 24 of 2021, the Banking Commission is required to recommend to the City Council, no later than the thirteenth of May, the proposed interest rate to be charged for non-payment of taxes for properties with an assessed value of more than two hundred fifty thousand dollars (\$250,000) but less than or equal to four hundred fifty thousand dollars (\$450,000), or more than two hundred fifty thousand dollars (\$250,000) but less than or equal to four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, and

WHEREAS, said provisions of Local Law 24 require the Banking Commission to propose a rate at least four percentage points (4.0%) per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

WHEREAS, the Banking Commission notes for the record that as of May 13, 2025, said prime rate stands at **7.50 percent (7.50%)**, as published by the Board of Governors of the Federal Reserve System, and

WHEREAS, it is in the City’s best interest to encourage the prompt payment of real estate taxes by all taxpayers, now, therefore, be it

RESOLVED, the Banking Commission recommends to the City Council that the late payment interest rate to be charged for non-payment of real property taxes where the assessed value of a property is more than two hundred fifty thousand dollars (\$250,000), but less than or equal to four hundred fifty thousand dollars (\$450,000), or more than two hundred fifty thousand dollars (\$250,000) but less than or equal to four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, be set at fifteen percent **(15%)** per annum for FY2026.

*Annie Levers motioned to approve the resolution. Reggie Thomas seconded.
Resolution No. 4 was unanimously approved.*

Dated May 13, 2025

**RESOLUTION NO. 5 – FY2026 LATE PROPERTY TAX PAYMENT INTEREST RATE
RECOMMENDATION FOR PROPERTIES ASSESSED GREATER THAN \$450,000**

WHEREAS, pursuant to the New York City Administrative Code Section 11-224.1, the Banking Commission is required to recommend to the City Council, no later than the thirteenth of May, the proposed interest rate to be charged for non-payment of taxes for properties with an assessed value of more than four hundred fifty thousand dollars (\$450,000), or more than four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, and

WHEREAS, said provisions of the Administrative Code require the Banking Commission to propose a rate at least six percentage points (**6.0%**) per annum greater than the prevailing interest rate charged for commercial loans extended to prime borrowers by commercial banks operating in the City (the “prime rate”), and

WHEREAS, the Banking Commission notes for the record that as of May 13, 2025, said prime rate stands at **7.50 percent (7.50%)**, as published by the Board of Governors of the Federal Reserve System, and

WHEREAS, it is in the City’s best interest to encourage the prompt payment of real estate taxes by all taxpayers, now, therefore, be it

RESOLVED, the Banking Commission recommends to the City Council that the late payment interest rate to be charged for non-payment of real estate taxes where the assessed value of a property is more than four hundred fifty thousand dollars (\$450,000), or more than four hundred fifty thousand dollars (\$450,000) per residential unit for co-ops, be set at eighteen per cent (**18%**) per annum for FY2026.

*Reggie Thomas motioned to approve the resolution. Annie Levers seconded.
Resolution No. 5 was unanimously approved.*

Dated May 13, 2025

RESOLUTION NO. 6 – 2025 APPROVAL OF NYC DEPOSITORY BANKS

WHEREAS, pursuant to Section 1524 of the New York City Charter, the Banking Commission is responsible for designating banks that are permitted to hold City funds; and

WHEREAS, pursuant to Title 22 of the Rules of the City of NY (RCNY) § 1-03(b), the term of a designation shall be for a period of no longer than two years, unless the Banking Commission by majority vote extends such designation period; and

WHEREAS, the following 31 banks have submitted the required documents and meet the requirements to become NYC Depository Banks pursuant to Title 22:

- | | | | |
|----|----------------------------------|----|-------------------------------------|
| 1 | Amalgamated Bank | 17 | Modern Bank, N.A. |
| 2 | Bank of America, N. A. | 18 | M&T Bank |
| 3 | BankUnited, N.A. | 19 | Peapack Private Bank & Trust |
| 4 | BMO Bank N.A. | 20 | PNC Bank, N.A. |
| 5 | BNY Mellon, N.A. | 21 | Ponce Bank |
| 6 | Citibank, N.A. | 22 | Popular Bank |
| 7 | Citizens Bank, N.A. | 23 | Ridgewood Saving Bank |
| 8 | ConnectOne Bank | 24 | Santander Bank, N.A. |
| 9 | Dime Community Bank | 25 | Spring Bank |
| 10 | Flagstar Bank, N.A. | 26 | State Street Bank and Trust Company |
| 11 | Flushing Bank | 27 | TD Bank, N.A. |
| 12 | International Finance Bank | 28 | U.S. Bank N.A. |
| 13 | Israel Discount Bank of New York | 29 | Valley National Bank |
| 14 | JPMorgan Chase Bank, N.A. | 30 | Webster Bank, N.A. |
| 15 | KeyBank N.A. | 31 | Wells Fargo Bank, N.A. |
| 16 | Metropolitan Commercial Bank | | |

RESOLVED, the Banking Commission approves the listed banks to become NYC Depository Banks for two years.

Annie Levers made a statement on behalf of Comptroller Lander.

Reggie Thomas motioned to approve the resolution. Annie Levers seconded.

Mary Christine Jackman and Reggie Thomas approved all thirty one (31) banks.

Annie Levers voted against Citibank, N.A., Flagstar Bank, N.A., JPMorgan Chase Bank, N.A., Ridgewood Saving Bank, Wells Fargo Bank, N.A and approved the rest.

Dated May 13, 2025

RESOLUTION NO. 7 – Necessity Exception of Capital One Bank.

WHEREAS, pursuant to Section 1524 of the New York City Charter, the Banking Commission is responsible for designating banks that are permitted to hold City funds; and

WHEREAS, pursuant to the Title 22 RCNY § 1-03(e)(1)(ii), a NYC Depository Bank must submit required documentation; and

WHEREAS, in accordance with Title 22 RCNY, Capital One Bank chose not to submit documentation required for designation; and

WHEREAS the bank provides unique services for the Department of Housing Preservation and Development that cannot easily be duplicated with another provider; therefore, be it

RESOLVED, the Banking Commissioners hereby designate Capital One Bank as a Depository Bank commencing May 13, 2025 until current HPD agreements expire.

*Reggie Thomas motioned to approve the resolution. Annie Levers seconded.
Resolution No. 7 was unanimously approved.*

Dated May 13, 2025

RESOLUTION NO. 8 – PONCE BANK BRONX BDD DEPOSIT

WHEREAS, the New York State Department of Financial Services has approved the first branch of Ponce Bank to participate in the Banking Development District (BDD) program; and

WHEREAS, Ponce Bank has requested that the City of New York make a \$10 Million deposit at its Bronx BDD branch located at 2244 Westchester Avenue in the Bronx: therefore, be it

RESOLVED, the Banking Commission approves a \$10 Million New York City BDD deposit at the Ponce Bank Bronx BDD branch.

*Annie Levers motioned to approve the resolution. Reggie Thomas seconded.
Resolution No. 8 was unanimously approved.*

Dated May 13, 2025

Annie Levers moved to adjourn the meeting. Reggie Thomas seconded the motion. The motion was unanimously approved.

Mary Christine Jackman, Secretary

Date