May 26, 2023

Honorable Adrienne Adams
Speaker, New York City Council
City Hall
New York, NY 10007

Re: 2023 New York City Bank Designation

Dear Speaker Adams:

Please be advised that the NYC Banking Commission approved the following twenty-six (26) banks as NYC Designated Banks for a two-year period, commencing on May 25th, 2023:

1. Amalgamated Bank
2. Bank of America, N.A.
3. Bank of New York Mellon
4. BankUnited, N.A.
5. Citibank N.A.
6. Citizens Bank N.A.
7. ConnectOne Bank
8. Dime Community Bank
9. Flashing Bank
10. Habitat American (HAB) Bank
11. International Finance Bank
12. Israel Discount (IDB) Bank
13. JP Morgan Chase, N.A.
14. Modern Bank N.A.
15. M&T Bank
16. NY Community Bank
17. PNC Bank N.A.
18. Popular Bank Inc.
19. Santander Bank N.A.
20. Spring Bank
21. State Street Bank
22. TD Bank N.A.
23. US Bank N.A.
24. Valley National Bank
25. Webster Bank N.A.
26. Wells Fargo, N.A.

The following three (3) banks were approved for a one-year designation period, commencing on May 25th, 2023:

1. Capital One Bank
2. KeyBank
3. Signature Bank (now Flagstar Bank N.A.)

Conditional Designation of Capital One Bank and KeyBank:

Title 22 §1-03(101) of the Rules of the City of New York (“RCNY”) authorizes the Banking Commission to designate as a city depository a bank that does not meet the requirements for designation of City monies where, in its discretion, the deposit of such monies in such bank is necessary to obtain essential services that are not reasonably obtainable elsewhere. It is due to this reasoning that the Banking Commission had discretion pursuant to this provision, known as the “Necessity Exception” to conditionally designate Capital One Bank and KeyBank for a one-year period ending in May 2024. The conditional designation prohibits the City from entering new contracts with both banks and requires the City to replace Capital One Bank and KeyBank with other vendors when their existing contracts expire. While both Capital One Bank and KeyBank met all financial soundness
hurdles, both banks chose not to submit all the documentation required by the Banking Commission for complete evaluation to be designated as a depository.

Extension of Designation of Flagstar Bank N.A. as a NYC Depository Bank:

The bank formally known as Signature Bank had submitted all documents necessary for designation by the March 1st deadline, as set in Title 22 RCNY. However, due to the bank’s collapse later that month, Flagstar Bank N.A. assumed the assets and many liabilities of Signature Bridge Bank, which had been created by the FDIC. Therefore, to allow Flagstar Bank time to complete all necessary compilations of financials and update all designation application documents, the Banking Commission decided that a one-year extension of the former designation would allow for coverage of the accounts now held at Flagstar Bank.

The NYC Banking Commission will vote on the re-designation of the three (3) banks which were designated for a one-year term again in May 2024. The next biennial designation of banks will occur in May 2025.

Sincerely,

Mary Christine Jackman
Assistant Commissioner & Treasurer

Cc: Chief Strategy Officer for 1st Dep. Mayor Tonya Jenerette, Banking Commission Representative of the Mayor
    Deputy Comptroller for Policy Annie Levers, Banking Commission Representative of the Comptroller
    Council Member Justin Brannan, Chair, NYC Council Finance Committee
    Jeremy John, Chief of Staff, NYC Council
    Michael Twomey, Counsel, NYC Council Finance Division
    Jonathan Ettricks, Director, NYC Council Legislative Documents Unit