



BANKING ON THE UNDERBANKED:
BANKING DEVELOPMENT DISTRICTS IN NEW YORK

October 2007

benefiting banks : enriching communities



Importance of Accessible Financial Services

The presence of a local, full-service bank branch can help provide the products and services necessary to:

- Stimulate local economies by enhancing access to capital for local businesses.
 - Promote long-term economic development.
 - Foster job creation.
 - Promote community stabilization and revitalization.
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- Greater access to banking services encourages New Yorkers who may not have banking relationships to become part of the financial mainstream, resulting in:
 - Less reliance on more expensive, alternative financial service providers, such as check cashiers.
 - A trusted vehicle for savings and asset building.
 - Better access to financial information/education and appropriate credit & mortgage products.



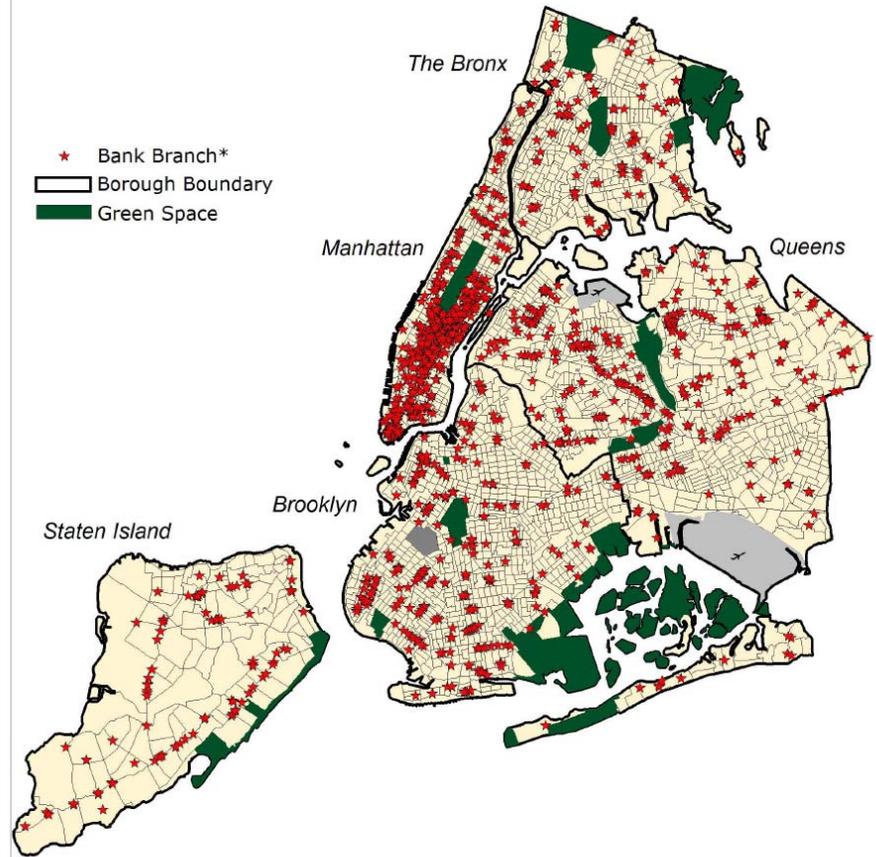
Ratio of Bank Branches to Population: NYC

Number of Branches per 10,000 people in New York City			
Borough	Number of Branches*	Population**	# of Branches per 10,000
Bronx	134	1,364,566	0.98
Kings (Brooklyn)	296	2,511,408	1.18
New York (Manhattan)	623	1,606,275	3.88
Queens	399	2,256,576	1.77
Richmond (Staten Island)	97	475,014	2.04
Citywide	1,549	8,213,839	1.89

Sources:
*FDIC Institution Directory (as of June 30, 2006),
**2005 NYC Department of City Planning Estimates - <http://www.nyc.gov/html/dcp/html/census/popcur.shtml>

New York City

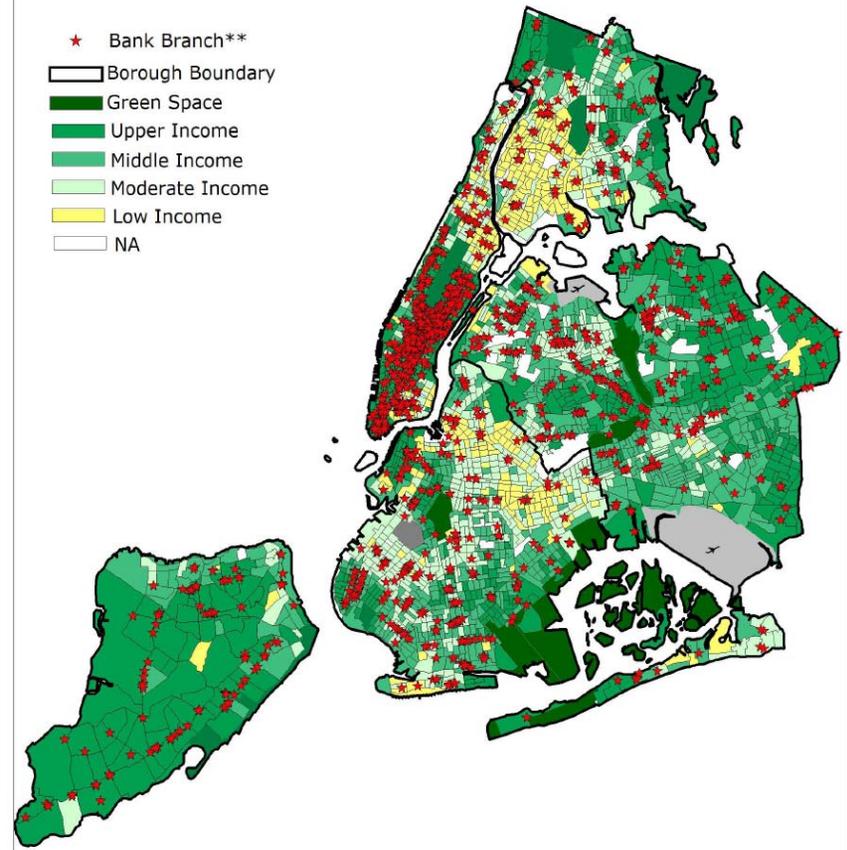
Bank Branches by Census Tract



*Reflects branches as of June 30, 2006
 Data Sources:
 Census Tracts: NYC Dept. of City Planning
 Bank Branches: FDIC Institution Directory

New York City

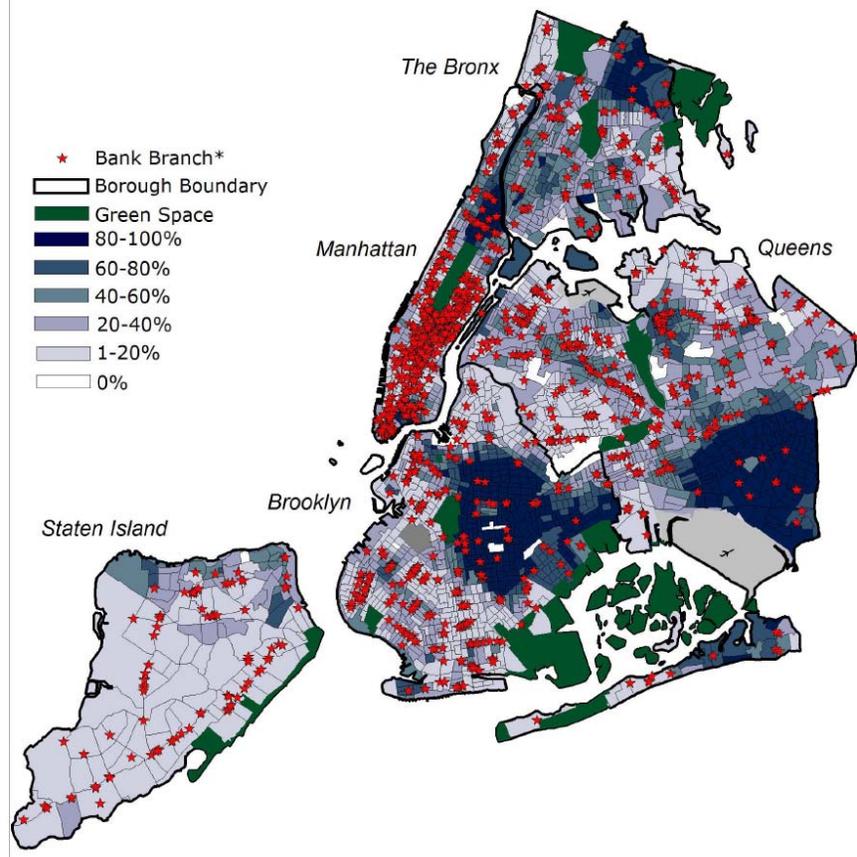
Bank Branches by % of MD* Income



*Reflects NYC branches as of June 30, 2006
 **Metropolitan Division 35644
 (New York-Wayne-White Plains, NY-NJ (part))
 Data Sources:
 Branch Locations: FDIC Institution Directory
 Income Data: 2000 U.S. Census
 Census Tracts: NYC Dept. of City Planning

New York City

Bank Branches by Minority Composition of Census Tract



- ★ Bank Branch*
- Borough Boundary
- Green Space
- 80-100%
- 60-80%
- 40-60%
- 20-40%
- 1-20%
- 0%

Prepared by the NYS Banking Department's Consumer Services Division

*Reflects branches as of June 30, 2006
 Data Sources:
 Census Tracts: NYC Dept. of City Planning
 Bank Branches: FDIC Institution Directory
 Racial Data: 2000 U.S. Census



What are Banking Development Districts (BDDs)?

- The Banking Development Districts program was enacted in 1999 and was designed to encourage the establishment of bank branches in areas with a demonstrated need for banking services.
- 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

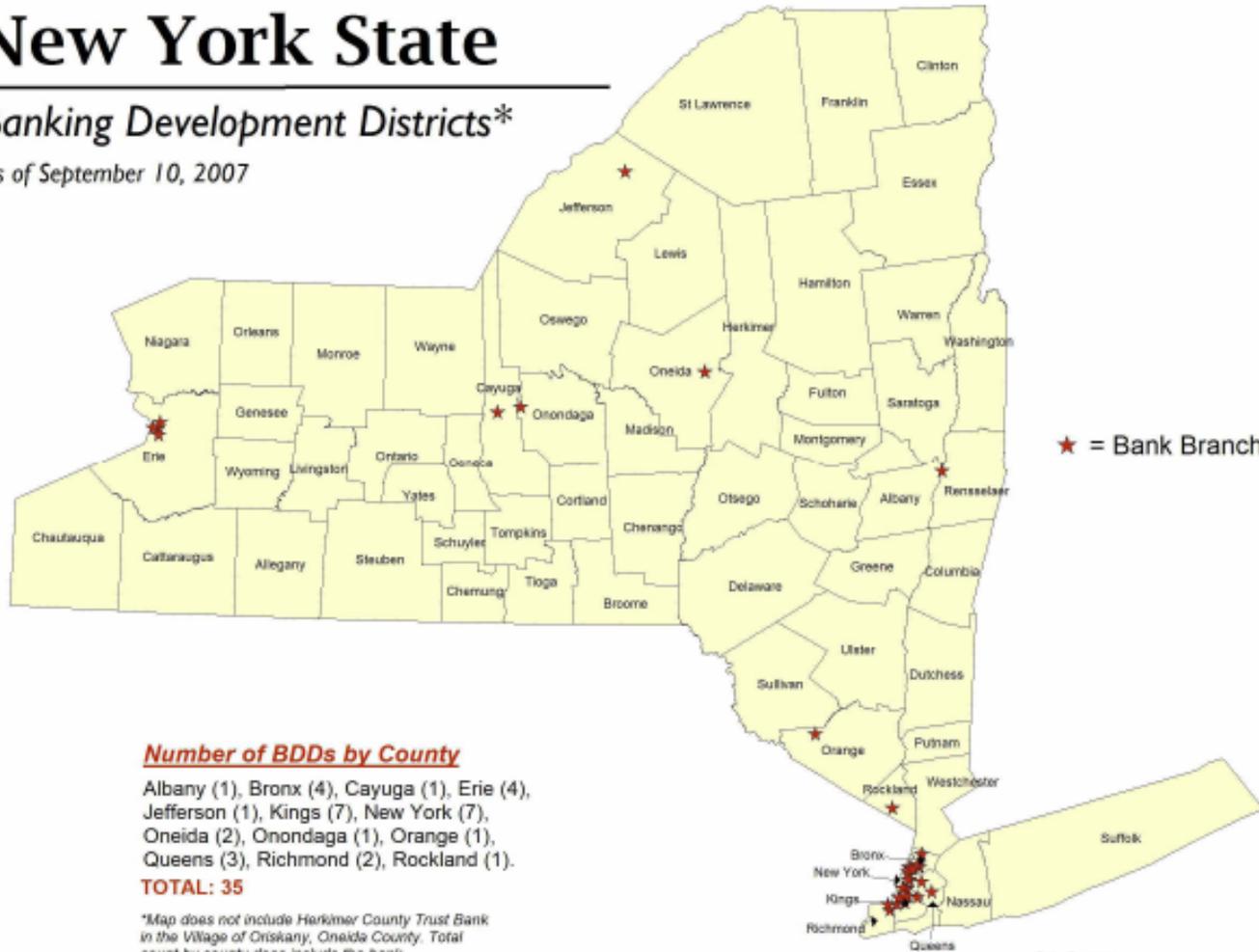


As of October 2007, 35 BDDs Have Been Designated

New York State

Banking Development Districts*

As of September 10, 2007



Number of BDDs by County

Albany (1), Bronx (4), Cayuga (1), Erie (4),
 Jefferson (1), Kings (7), New York (7),
 Oneida (2), Onondaga (1), Orange (1),
 Queens (3), Richmond (2), Rockland (1).

TOTAL: 35

*Map does not include Herkimer County Trust Bank
 in the Village of Oriskany, Oneida County. Total
 count by county does include the bank.

Prepared by the NYS Banking Department's Consumer Services Division

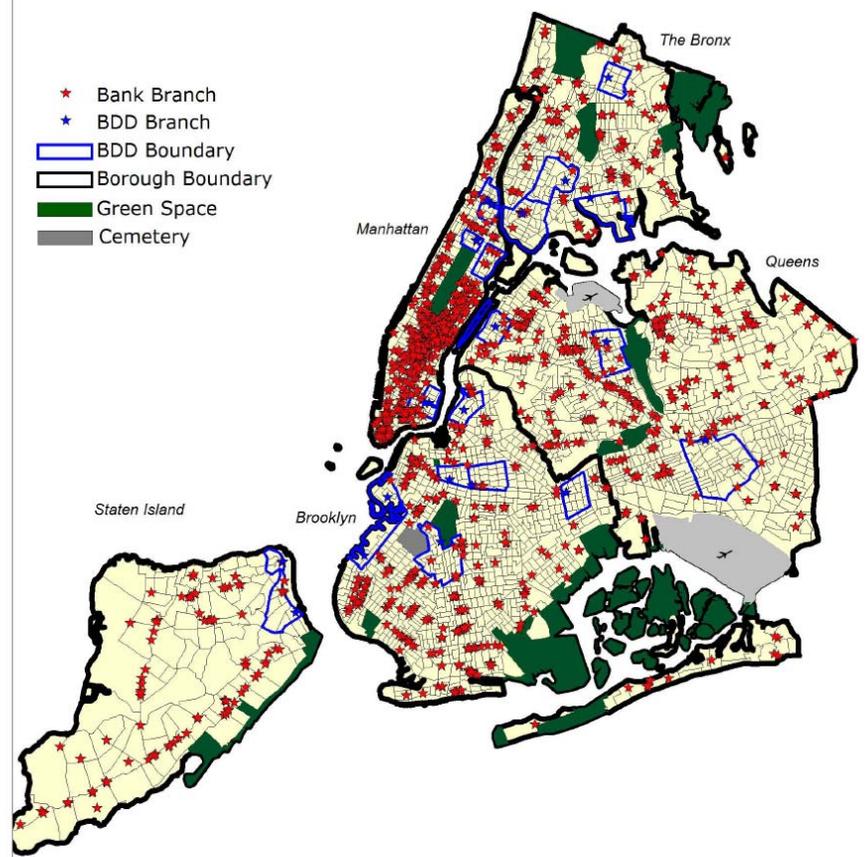
Data Sources:
 County Boundaries: NYS Office of Cyber
 Security & Critical Infrastructure Coordination

- NYC: 23
- Buffalo: 4
- Other: 8

New York City BDD's

Bank Branches* with BDD Boundaries

As of September 10, 2007



- ★ Bank Branch
- ★ BDD Branch
- BDD Boundary
- Borough Boundary
- Green Space
- Cemetery

*Reflects NYC branches as of June 30, 2006

Data Sources:
 Branches: FDIC Institution Directory
 Census Tracts: NYC Dept. of City Planning



What's in it for the Banks?

- Public deposits – if in NYC, a bank can receive up to \$20 million in below market deposits from NYC and NYS government, plus at-market agency deposits.
- Other public incentives aimed at lowering operating expenses (such as CRA credit, access to workforce development and customized training for employees, real estate assistance, Empire Zone Benefits, real property tax breaks).
- Coordinated educational and community outreach services to facilitate relationships in the community.

What's in it for the Communities?

- Local, easily accessible full-service bank branches with regular (and often extended) hours.
- Bank products: Savings accounts, basic checking accounts, electronic transfer accounts, electronic access accounts, ATM cards.
- Credit services: CDs, small business loans, credit cards, auto/personal mortgage/equity loans.
- Ancillary services: check cashing, money orders, money transfer, bill payment.



- Last year, BDD branches throughout New York opened close to 21,000 new bank accounts (almost half of which were savings accounts).
- This year, BDD branches made more than \$126 million in mortgage, construction, personal loans and community development lending.
- BDD branches are actively engaged in the community, providing financial literacy services, supporting community development activities and providing grants and financing to local community based organizations.



- Please visit the Banking Department's website for more information on the Banking Development District Program: <http://www.banking.state.ny.us/bdd.htm>
- Questions about the program, the application or its implementation should be directed to :
 - Cassy Gleason at 212.709.3576 or cassy.gleason@banking.state.ny.us