



NEW YORK STATE SENATOR

Joseph A. Griffo

## Griffo/Magee Bill A Win For Communities...And Their Banks

JOSEPH A. GRIFFO November 19, 2013

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Community banks can now accept millions more in state deposits - and make additional funds available for local loans - after a bill sponsored by Sen. Joseph A. Griffo and Assemblyman William Magee was signed into law Thursday.

The bill ([S.2494/A.3236](#)) permits the state comptroller and state Taxation & Finance commissioner to deposit up to \$20 million in state funds at each community bank. The previous limit was \$10 million.

“Depositing more state money in local banks is just good practice,” said Griffo, R-Rome. “It supports jobs at the branches, in the back offices and in the headquarters, which are almost always in-state. And if the community banks have more money on deposit, they can make additional commercial loans to local businesses. I thank Assemblyman Magee for his assistance and the governor for signing this legislation.”

Magee, D-Nelson, added: “I applaud the Governor in signing this legislation into law that I have sponsored along with Senator Griffo. This new law will play an important role in the local economy since it will encourage the placement of State deposits in local banks. The community bank deposit program creates an opportunity for New York State to help stimulate local economic development.”

“Community banks hold just 22 percent of the assets of all FDIC banks in the state, yet we make 55 percent of small business loans and 90 percent of all small farm loans in New York,” said Frank J. Capaldo, president/CEO of the Independent Bankers Association of New York State. “The Community Bank Deposit Program allows community banks to accept placement of state deposits to reinvest them into loans in their local communities to encourage economic development. Thanks to the leadership of Senator Griffo, Assemblyman Magee and Governor Cuomo to

increase the amount of deposits a community bank may hold, participating banks will be able to make even greater use of this important program. This is good news for New York's communities.”

The Community Deposit Program allows up to \$250 million of state funds to be deposited in all community banks.