



For Immediate Release: January 30, 2009

Austin Shafran | austinshafran@gmail.com | 917-417-3711(m); 212-298-5585(w)

PRESS RELEASE

SENATE MAJORITY LEADER MALCOLM A. SMITH AND SENATOR BRIAN X. FOLEY ANNOUNCE SIGNIFICANT POLICY INITIATIVE TO TRACK TARP FUNDS AND HELP FAMILIES AVOID FORECLOSURE

State Senate Majority Leader Malcolm A. Smith and Senate Banking Committee Chairman Brian X. Foley (D-Blue Point) today unveiled a significant policy initiative that will survey and track federal Troubled Asset Relief Program (TARP) funds, and develop a plan for how to maximize the benefits of these funds to stabilize communities and help families avoid foreclosure.

The distribution of TARP funds by the U.S. Treasury Department has come under fire recently as a number of banks and other recipients continue to engage in questionable expenditures and massive giveaways in the billions to executives.

“It is important that TARP funds be managed appropriately, timely, and that we see immediate results so that taxpayers have the confidence to know their dollars are being used wisely. We can't let banks go on an unrestricted spending spree with our federal tax dollars while people lose their homes to foreclosure,” said Senator Smith. “That’s the idea behind Senator Foley’s initiative and I applaud him for his courage in tackling this concern head-on. Having worked closely with the State Banking Superintendent on foreclosure prevention, we look forward to sharing the results of our information gathering with the banking department and helping New Yorkers stay in their homes.”

“Long Island taxpayers deserve to know that every dollar that is used to protect and stabilize our communities is not being wasted and mismanaged,” said Senator Foley. “My committee is developing a plan that will provide concrete steps for state officials, state funded service programs and banks across the state for how to best use these funds to stem the tide of foreclosures and grow our economy.”

Along with a final plan for action, other key responsibilities that Senator Foley and the Senate Banking Committee are undertaking to ensure the success of this initiative are:

- Documenting the full amount of TARP funds received by New York banks; how those funds have been used so far; and the amount of local investment and lending by each institution.

- Examining and analyzing the foreclosure prevention activities of TARP-funded New York banks with a particular focus on high-foreclosure areas like Suffolk and Nassau Counties.
- Mapping New York state foreclosure-prevention programs, including legal assistance and financial counseling and determining how resources can be used most effectively and efficiently.

While communities throughout the state have been devastated by the home foreclosure crisis, Suffolk County has been hit particularly hard. In 2008, the county had the second highest number of foreclosures in the entire state—nearly 13% of all foreclosures in New York—or 6,324 homes in all.

“Banks should not be sitting on these funds while families are facing homelessness,” said Senator Craig Johnson (D-Port Washington). “Senator Foley deserves a great deal of credit for this initiative, because even though the scale of this problem is huge, he’s not backing down and understands the importance of these funds.”

Below is a chart of 10 NYSBD banks or their holding companies that have applied for and been **approved** for funding by the U.S. Treasury. These are all banks that are chartered and regulated by the New York State Banking Department.

Name of Bank	Amount of Money Received	Date Funded
Goldman Sachs	\$10 billion	October 28
Bank of New York Mellon	\$3 billion	October 28
The parent of Banco Popular North America (Popular Inc.)	\$950 million	December 5
M & T Bank Corp.	\$600 million	December 23
The parent of Emigrant Bank (NY Private Bank & Trust)	\$267.3 million	January 9
The parent of First Niagara Commercial Bank (FNFG Inc.)	\$184 million	November 21
Signature Bank	\$120 million	December 12
The parent of Berkshire Municipal Bank (Berkshire Hills Bancorp.)	\$40 million	December 19
The parent of Five Star Bank (Financial Institutions Inc.)	\$37.5 million	December 23
The parent of State Bank of Long Island (State Bancorp. Inc.)	\$36.8 million	December 5

Data provided by: New York State Banking Dept.

###