

**New York State Banking Department  
Banking Development District Public Hearing  
April 8, 2009    Saratoga, New York**

Good afternoon, my name is Sean Ward and I am the Executive Assistant to the Mayor of Green Island. I am speaking today on behalf of Mayor Ellen McNulty-Ryan who is unable to attend today's hearing. I first wish to thank the New York State Banking Department for allowing me to speak on behalf of a community that has benefited greatly from a Banking Development District.

The Village of Green Island suffered greatly throughout the 1980's and 1990's due to the closing of the Ford Motor Company Radiator Plant and the decline of much of our manufacturing base that affected the entire Northeast as well. As such, the only remaining bank in our community decided to closed down and leave town following many years of steady decline.

The Village administration, led by then Mayor John J. McNulty, Jr. and subsequently present Mayor Ellen McNulty-Ryan, put together an economic development team and worked at attracting new business to our community. One of the main goals was to re-establish a bank at the same site at the corner of Arch and George Streets right in the middle of town. After meeting with a few local banks, it became apparent that the business generated in our small community was not enough to justify locating a new branch in Green Island without some help from someone else.

We became aware of the Banking Development District program and immediately applied. Our community seemed like a great fit as we believed that we were lacking in banking services and many of our residents are senior citizens and rely on walking or public transportation to get around. The Green Island BDD was created on September 1, 2004 and paved the way for Pioneer Bank, one of the last great "hometown" banks in our area, to locate in our community.

I have read that there is are certain questions that you would like addressed as part of this public hearing so I can do that in order and as they pertain to our community:

1. *Should a newly proposed BDD be allowed to overlap geographically with a currently existing BDD?*

This would probably not affect Green Island as our District encompasses the entire community.

2. *Should a bank purchasing a BDD branch be entitled to assume the BDD program benefits enjoyed by the previous bank owner?*

Yes, as long as they meet the criteria established by the NYS Banking Department and they provide the same services to the community we don't object to that.

3. *Should the initial subsidy of two years be extended?*

This would be better answered by the banks themselves but as a community we wish to extend any benefit that allows the bank to be in our community and remain financially secure enough to stay.

4. *Should there be a limit on the number of times a BDD branch may seek to renew BDD deposits?*

No, it should depend on how many times it takes for a bank to become or remain financial secure in the underserved community.

5. *Should banks already located in a BDD area receive below market rate deposits, and if so, under what circumstances and pursuant to what standards?*

This answer would be the same as above, it should depend on how many long it takes for a bank to become or remain financial secure in the underserved community.

6. *Should there be a financial literacy component required for BDD branches?*

Yes, Pioneer Bank already provides these services to both our youth at the local Public School and with programs for our Senior Citizens at the Senior Citizens Center.

7. *Should the BDD program be extended to credit unions, and if so, pursuant to what standards?*

Although our local bank may not be happy with me saying so, I don't have any objection to allowing credit unions to locate in BDD's as I'm sure there are many areas around the state that have not been able to locate banks that may be able to locate a credit union instead. This would benefit another group of underserved customers

8. *Are BDDs meeting the financial needs of the underbanked and unbanked residents within the District?*

Speaking strictly for our community, having the bank right in the middle of our village has allowed our residents the ability to walk to their local bank and allowed our businesses to handle their finance business without leaving the community. Most of the people served now were very underserved previous to the BDD being created back in 2004.

9. *From the bank and community perspective, what are the benefits of having a BDD in the community?*

The BDD enhances the ability for our residents, mainly senior citizens, to bank in their own community especially when transportation is such an issue with this segment of the population. Having a bank that gets so involved in our Village, through programs, and community events, is also a big benefit for our residents.

I would again like to thank the New York State Banking Department for allowing me the time to speak today. We are very appreciative of this program and proud of the fact that we are one of only five districts outside of New York City to receive this distinction. I would also like to thank Pioneer Bank for investing and becoming such a large part of our community.