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*fighting predatory equity and tenant harassment*

*organizing nyc tenants for the right to stay in our homes and communities*

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Law, research, and policy for organizing

**Testimony Concerning:**

the designation of banks eligible to hold municipal deposits

**Submitted To:**

The New York City Banking Commission

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**Presented By:**

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Good afternoon members of the Banking Commission and thank you for the opportunity to testify today regarding the designation of banks eligible to hold municipal deposits.

My name is Jackie Del Valle, and I am Stabilizing NYC Coordinator at Take Root justice.

**TakeRoot Justice** provides legal, participatory research, and policy support to strengthen the work of grassroots and community-based groups in New York City to dismantle racial, economic, and social oppression. TakeRoot has a 21-year history of partnering with grassroots and community-based organizations that build leadership and power within New York City's low-income communities, particularly communities of color, immigrant communities, and others traditionally excluded from policymaking.

TakeRoot is a founder and coordinator of **Stabilizing NYC**, a coalition of us and 19 non-profit organizations, that combines tenant organizing with legal representation to combat harassment, evictions, and the loss of affordable housing at the hands of predatory equity and speculative investors. In our 11-year history, we have worked with thousands of tenants fighting against hundreds of landlords and dozens of banks for safe and secure housing. It is our experience, time and time again, banks make overleveraged and wildly speculative loans to predatory landlords, who neglect buildings, push out tenants, and destabilize communities.

**In order to do business with NYC, banks must be doing good business in the community.** The banks that do multi-family lending must adhere to a high standard. ***The Banking commission must consider each of these banks’ performance in the multi-family lending in NYC as a qualification to hold NYC’s public funds.*** Lending on multifamily rental housing is critical to maintaining an aging housing stock, but only if the lending is done responsibly. This looks like:

* Responsible underwriting. For rent-stabilized buildings, underwrite to a Debt Service Coverage Ratio of at least 1.2X, based on current in-place rents and realistic maintenance costs.
* No financing of buyouts or other practices that could lead to displacement. (we have seen these in stages with several of the banks up for designation!)
* Appropriate vetting of borrowers. Use all available sources – including information from tenants and tenant organizers – to lend to responsible landlords who are dedicated to maintaining the stock of rent-regulated housing and respecting the rights of tenants to preserve this stock of affordable housing.
* Respond to issues in buildings. Have a formal process to respond to tenants and tenant organizers when problems arise in buildings they have loaned on, with the same goal of preserving affordable housing. Work with all parties – borrower, community organizations, and the City –to address issues in the building.

We are also experiencing a foreclosure crisis, not unlike the one after the 2008 crash that happened because of overspeculation by Private Equity firms buying housing in NYC, leading to the term “predatory equity”. Predatory Equity came to NYC’s real estate market as part of the credit boom of the early to mid-2000s. Lax underwriting standards and low interest rates set the stage for the Predatory Equity business model to take hold and thrive. Speculators were able to purchase buildings at exorbitant prices, comfortable they could easily secure a mortgage to cover upwards of 80% of the acquisition costs.

Under the weight of these inflated debt obligations, landlords manipulated the laws that govern NYC’s housing and implement systematic harassment tactics in hopes of raising rents and replacing low-income tenants with higher paying residents. Many included producing a high turnover rate of tenants as a key business strategy in their materials to attract investors. When this housing bubble bust, and landlords found tenants were fighting back, there was a wave of foreclosures. We are experiencing that again

Moreover, this underscores the need the for a Public Bank. The City's continued reliance on private, profit-driven banks—rather than establishing a public bank—is a choice, not a necessity. It is simply not in the City’s financial interest to continue doing business with institutions that extract wealth from New Yorkers and fuel systemic harm. The City must move toward establishing a public bank: a democratically controlled financial institution, chartered to serve the public interest, and committed to equitable, community-driven investment.

A public bank would allow New York City to invest billions of dollars in affordable housing, small and worker-owned businesses, renewable energy, and other critical needs—particularly in low-income, Black, brown, and immigrant communities that Wall Street banks routinely fail or exploit.

Recent events have only made this clearer. Earlier this year, the federal government seized $80 million from the City's account at Citibank—without warning and without proper authorization.[[1]](#footnote-1) Even more alarming, Citibank processed the reversal without questioning it, over drafting the City’s account and forcing New Yorkers to absorb the loss. A public bank, chartered to serve the public interest, would safeguard public funds from federal overreach and ensure our public money is protected and put to work for our communities. As a matter of fiduciary responsibility, the City must reject Citibank’s application to hold public deposits.

And the problems go far beyond the recent Citibank debacle. The City’s designated banks continue to actively undermine New York’s policy goals. Big banks like Bank of America, Citi, JPMorgan Chase, and TD—among the City's main depositories—have pumped over $1.34 trillion into fossil fuel projects since 2016,[[2]](#footnote-2) in direct conflict with the City’s climate commitments. These banks reportedly hold more than three-quarters of the City’s total deposits.

These are challenging times and will be very financially difficult for NYC. The public deserves the interest and investments made on their tax money to flow back to the City, into better housing and goods and services, not out of it. Not into the hands of billionaires, and not into investments that undermine the City’s wellbeing and fiscal health.

Along with the foreclosure crisis, and continued attacks from the federal administration on the city, **the City of New York has been struggling for years to pay the non-profits its awards money for critical services on time.** My organization alone is owed over $2million dollars and the Stabilizing NYC is owed over $9 million collectively. Our money should not be enriching the very landlords and banks that fund them that we are trying to fight for repairs.

We urge the Mayor, Comptroller, and Commissioner of Finance—who together make up the Banking Commission—to use their leadership and authority to bring a public bank to New York City and end the big banks’ stranglehold over public money. We believe that a municipal bank, chartered with a clear mission to serve critical community needs and accountable to the public, will help achieve economic security and shared prosperity for all New

1. Linda Levy, "A NYC Public Bank to Guard Our Funds," New York Daily News, February 26, 2025. https://www.nydailynews.com/2025/02/26/a-nyc-public-bank-to-guard-our-funds/ [↑](#footnote-ref-1)
2. Rainforest Action Network, [↑](#footnote-ref-2)