



New York City Banking Commission
Testimony by Linda Levy on behalf of Lower East Side People's FCU

May 5, 2025

Good afternoon members of the Banking Commission. My name is Linda Levy, and I am Executive Consultant and a Board member at Lower East Side People's FCU. Thank you for the opportunity to testify today regarding the designation of banks eligible to hold municipal deposits—a matter of fundamental public concern. 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.

The Lower East Side People's FCU is a community development financial institution (CDFI), that has been making loans to low income, immigrant New Yorkers since 1986. We have branches on the Lower East Side and East Harlem in Manhattan, the North Shore of Staten Island, and the Bronx. At \$90 million in assets, we are New York City's largest community development credit union.

Our experience in providing financial services and products to low income New Yorkers provides us with insight to the best ways to serve the financial needs of unbanked and underbanked residents of our city. We believe that a public bank, which uses public money for the public good, will work collaboratively with credit unions like ours to close the huge gap in financial equity that is pervasive in New York City.

The Lower East Side People's FCU commends the Banking Commission for making important changes to increase transparency and public participation in this process. Today's hearing marks a significant improvement over past years. We continue to urge the Commission to create even more advanced opportunities for the public to weigh in, to ensure full and deliberate engagement on these critical decisions.

The City's continued reliance on private, profit-driven banks—rather than establishing a public bank—is a choice, not a necessity. We urgently need leadership that prioritizes the public interest over the status quo.

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 Even more alarming, Citibank processed the reversal without questioning it, overdrafting 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 in direct conflict with the City's climate commitments. These banks reportedly hold more than three-quarters of the City's total deposits.

The record of harm by these banks is overwhelming. For decades, big banks have systematically extracted wealth from Black, brown, and low-income New Yorkers while failing to provide affordable credit and service to communities of color. Our credit union was organized when all of the large commercial banks abandoned the Lower East Side, leaving the community with no financial services other than check cashers and loan sharks. In the nearly forty years since then, we have opened branches in other parts of the city, most recently in the south Bronx, that have also been abandoned by these institutions.

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.

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/>

² Rainforest Action Network,

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. A study by economists at The New School’s Center for New York City Affairs found that, *in just its first five years*, a public bank would add 70,000 jobs, build or preserve nearly 18,000 units of affordable housing, invest one \$1 billion into climate infrastructure, and direct \$6 billion in new loans to Black and brown neighborhoods, in partnership with local CDFIs and other responsible lenders.³

Thank you again for the opportunity to testify. Please do not hesitate to contact me with any questions: llevy@lespfcu.org.

³ Center for New York City Affairs,

