



Legislation Text

File #: Res 0343-2024, **Version:** *

Res. No. 343

Resolution calling on the New York State Legislature to pass, and the Governor to sign, A.9057/S.7826, mandating the acceptance of the New York city identity card as a primary form of identification at state-chartered banks, savings banks, savings and loan associations, and credit unions.

By Council Members Won, Avilés, Louis, Stevens, Farías, Cabán, Banks, Williams, Hanif and Schulman

Whereas, In January 2015, former Mayor Bill de Blasio launched New York City's municipal identification program, called IDNYC; and

Whereas, IDNYC is a free identification card available to all New York City residents, ages 10 and up, regardless of their immigration status; and

Whereas, IDNYC is accessible to all, including vulnerable communities that traditionally face obstacles obtaining identification, such as those who are homeless, formerly incarcerated, or undocumented; and

Whereas, IDNYC provides a number of benefits to cardholders including health, fitness, cultural and entertainment discounts; and

Whereas, IDNYC can be used as proof of identity for city agencies when applying for city services, like SNAP or Section 8, and interacting with the New York City Police Department; and

Whereas, According to city data, in the year after the implementation of IDNYC, more than half of the cardholders used IDNYC as their primary form of identification; and

Whereas, Significant objectives of IDNYC include increasing access to financial services for unbanked individuals and meeting federal regulations for use at financial institutions; and

Whereas, According to the city's website on IDNYC, the card is accepted as a primary form of identification to open a bank or credit union account at more than ten financial institutions throughout the City,

including Amalgamated Bank, Carver Federal Savings Bank, East West Bank, First Republic Bank, Lower East Side People's Federal Credit Union, Neighborhood Trust Federal Credit Union, PNC Bank, Spring Bank, Urban Upbound Federal Credit Union, and USALLIANCE; and

Whereas, However, banks have been hesitant to accept IDNYC as a primary identification card, with some claiming security concerns; and

Whereas, The Federal Reserve, Treasury Department, and Office of the Comptroller of the Currency have said IDNYC meets the requirements of federal anti-money laundering laws; and

Whereas, In 2016, the New York State Department of Financial Services urged New York state-chartered financial institutions to accept IDNYC from possible clients; and

Whereas, The New York Banker's Association responded by indicating despite comments from both state and federal entities, the choice to accept IDNYC was left up to the discretion of the financial institutions; and

Whereas, IDNYC advocates maintain the refusal of IDNYC by some banks as a primary form of identification is not about security because the requirements to get IDNYC is just as stringent as other identification cards; and

Whereas, Advocates also noted, after a year and a half into the IDNYC program, none of the banks and credit unions that accepted IDNYC reported problems with fraud or security breaches; and

Whereas, According to the Department of Consumer and Worker Protection, over 305,000 New York City households are unbanked, and these households are predominately in neighborhoods with the highest poverty rates, lowest median household incomes, and high unemployment rates; and

Whereas, Households that do not utilize traditional banking options can often turn to predatory financial services and are more likely to be victims of financial fraud; and

Whereas, A.9057, introduced by Assembly Member Grace Lee and pending in the New York State Assembly, and companion bill S.7826, introduced by Senator Jessica Ramos and pending in the New York State

Senate, seek to amend the banking law, in relation to mandating the acceptance of the New York city identity card as a primary form of identification at state-chartered banks, savings banks, savings and loan associations, and credit unions; and

Whereas, By opening a bank account, households can build credit, protect their money, pay taxes more easily, and receive direct deposits; and

Whereas, Opening a bank account is an important way to build stability and bank account holders are able to participate more effectively in the New York City economy; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, A.9057/S.7826, mandating the acceptance of the New York city identity card as a primary form of identification at state-chartered banks, savings banks, savings and loan associations, and credit unions.

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RLB