

STATEMENT FROM NEW YORK GROUPS
OPPOSING GOV. HOCHUL'S NOMINATION FOR NYS FINANCIAL SERVICES SUPERINTENDENT
Issued on November 18, 2021

The 25 undersigned New York-based organizations call on Governor Hochul to immediately rescind her nomination of Adrienne Harris for Superintendent of the NYS Department of Financial Services (DFS). Our organizations collectively represent millions of New Yorkers, from communities across the state. We see first-hand how DFS's actions directly affect our members and all New Yorkers, as well as our neighborhoods and the state overall.

The Governor's nomination of Ms. Harris is deeply problematic on its face, starting with major conflicts of interest that Ms. Harris would bring to the position. Ms. Harris's resume reportedly includes a long list of consultancies, board service, and advisory affiliations with multiple financial technology ("fintech") companies — including companies that lobby for financial deregulation. Hiding behind rhetoric of "innovation" and "serving the unbanked," many of these fintech companies in fact specialize in extracting wealth from Black and brown people and communities.

New York has stood firm against the fintech industry's aggressive efforts to win deregulation, special exceptions, and carve-outs from legal enforcement and oversight. A DFS Superintendent with apparent ties to the fintech industry would represent a dangerous step in the wrong direction.

We urge the Governor to nominate a candidate with the independence, qualifications, and vision needed to run our state's powerful financial services agency. We have seen what a difference a strong DFS Superintendent can make, especially when it comes to addressing profound inequities in our financial system — from bank redlining to predatory debt collection and discriminatory and usurious lending. New Yorkers deserve a DFS Superintendent who comes without conflicts of interest, who knows the ins-and-outs of New York, and who is first and foremost a public servant.

Governor Hochul has a pivotal opportunity to bring on a new Financial Services Superintendent who can tackle the myriad challenges we face here in New York — independently and without conflicts of interest. Unfortunately, Ms. Harris does not fit the bill. Fortunately, there are many qualified contenders for DFS Superintendent, and we call on the Governor to nominate someone who can ably fill the position.

Threshold Qualifications for the NYS Superintendent of Financial Services

At core, the new Superintendent should be someone ready to hit the ground running, who:

- Has a clear vision to serve the public interest, not political interests;

- Is ready to take bold action and regulate the financial services industry to protect New Yorkers;
- Understands that financial justice is fundamental to a just recovery and equitable community development;
- Is driven to advance racial equity and address climate change; and
- Prioritizes strong enforcement and supervision.

There is no shortage of urgent work that DFS needs to undertake. For starters, the new Superintendent must:

- Address head-on pervasive bank and insurance redlining in communities of color across the state;
- Support and expand the state's robust network of community development financial institutions (CDFIs), including mission-driven CDFI-credit unions that serve Black, brown, and immigrant communities that mainstream banks perpetually fail to serve;
- Support public banking, including the creation of a special purpose charter for local governments seeking to create municipal public banks;
- Take the steps needed to end predatory debt collection and eliminate pandemic-related medical and other debts; and
- Stand firm against financial technology ("fintech") companies that seek to erode and circumvent regulations -- including New York's strong usury laws, which serve to ban predatory payday lending in our state. (Fintech companies often use the rhetoric of financial inclusion and innovation, when in reality they seek to extract wealth from low-income people and communities and elude regulations.)

STATEMENT BY:

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| • Action Center on Race and the Economy | • New Economy Project |
| • Alliance for Quality Education | • New York Communities for Change |
| • Carroll Gardens Association | • New York Music Coop |
| • Citizen Action of New York | • New York Working Families Party |
| • City Roots Community Land Trust | • Picture the Homeless |
| • Cooper Square Committee | • Sane Energy Project |
| • Empire State Indivisible | • South Bronx Unite |
| • Ethical Humanist Society of Long Island | • Strong Economy For All Coalition |
| • For the Many | • TakeRoot Justice |
| • Inclusiv | • Tenants Political Action Committee |
| • Long Island Housing Services | • Western New York Law Center |
| • Lower East Side People's FCU | • Westminster Economic Development Initiative, Inc. (WEDI) |
| • Network for a Sustainable Tomorrow | |