



Cuomo angling to be the new sheriff on Wall Street

Carl Campanile

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Gov. Cuomo is positioning himself to become the new sheriff of Wall Street.

His new budget plan proposes sweeping legislation to dramatically expand the regulatory and enforcement powers of his Department of Financial Services — in some instances allowing its superintendent to prosecute cases instead of going to the state attorney general, according to a state Senate GOP analysis.

The package includes expanding the financial agency's authority to take action against an insurer without first obtaining a court order and allowing the superintendent to prosecute a civil action to recover a penalty or enforce an order "instead of having to refer such action to the attorney general for prosecution," the Senate review said.

The proposal makes it easier to "unilaterally" disqualify "bad actors" without court order from the banking and insurance industries.

It also empowers the Financial Services superintendent to license and regulate student-loan servicers.

Other provisions expand oversight of lenders, including those from out of state who arrange or facilitate loans.

Cuomo said in his budget proposal that he's fighting for the average guy.

"These protections would help ensure the fairness and stability of products and services New Yorkers rely upon and mitigate adverse financial impacts from unscrupulous practices," he said.

Cuomo, who has denounced the heavy debt carried by college graduates, pointed out that student-loan servicers are "currently unregulated and unlicensed."

"The state is doing everything possible to protect consumers from unscrupulous activities by the big banks," said Cuomo budget office spokesman Morris Peters.

But business advocates slammed the measure for giving Empire State financial regulators too much power.

"We should not erode important due-process protections, even when the accused is within the financial-services industry. Courts have long been important checks on prosecutorial abuses,"

said Mark Calabria, director of financial-regulation studies at the Cato Institute, a pro-market think tank.

“If a case has real merit, getting a court order should take little effort.”

State Republican Party Chairman Ed Cox called the governor’s move another “power grab” by “control freak” Cuomo to advance his political agenda.

Cuomo, a former state attorney general, created DFS as a super regulatory and enforcement department in 2011 by merging the responsibilities of the separate banking and insurance offices and aggressively cracking down on corporate misdeeds.

The creation of the new department raised eyebrows at the time because such cases were traditionally enforced by the state attorney general.

Like all parts of state government, Cuomo’s plan requires approval by the Legislature.

A spokesman for state Attorney General Eric Schneiderman said he’s studying the proposal.