



COMPTROLLER OF THE CITY OF NEW YORK  
1 CENTRE STREET  
NEW YORK, NY 10007-2341  
(212) 669-3500

WILLIAM C. THOMPSON, JR.  
COMPTROLLER

May 18, 2009

The Honorable Michael R. Bloomberg  
Mayor  
City Hall  
New York, New York 10007

Dear Mayor Bloomberg:

I write regarding the Banking Commission meeting that will be held on May 20, 2009.

At this meeting, representatives from our offices will vote on recommendations that will be forwarded to the City Council and which will suggest interest rate charges for the non-payment of real estate taxes, and the non-payment of water and sewer rents.

As you know, last year the City Council imposed interest rates for the non-payment of these charges for Class I properties (assessed at or below \$250,000) at 9 percent annually. For Class II properties (assessed above \$250,000) the rates were 18 percent annually. These percentages were linked to the prime rate as established by the Board of Governors of the Federal Reserve Bank. Last year, when these rates were adopted, the prime rate was 5.09 percent. Since that time, the prime rate has dropped to 3.25 percent.

During the past year, our country has confronted unprecedented economic challenges, and just as President Obama has addressed the many facets of the economic crisis with intelligence and compassion, I urge that we do the same in this instance.

Because City homeowners and owners of commercial real estate have been particularly hard hit by this crisis, I strongly suggest that we lower the interest rate by an amount equal to the drop in the prime rate since we made our recommendations last year, or by approximately 1.75 percent.

This reduction is not significant enough to discourage most New Yorkers from making payments on a timely basis and the rate imposed will not add significantly to the financial burden of those who are experiencing financial hardship.

I have asked my representative on the Banking Commission to vote according to these sentiments and hope that you will encourage your representatives to do the same.

Very truly yours,

William C. Thompson, Jr.