



COMPTROLLER OF THE CITY OF NEW YORK
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WILLIAM C. THOMPSON, JR.
COMPTROLLER

May 20, 2009

Honorable David I. Weprin
Chair, Finance Committee
New York City Council
250 Broadway, 18th Floor
New York, New York 10007

Dear Councilmember Weprin,

You will shortly receive recommendations from the New York City Banking Commission pursuant to Section 11-224.1 of the Administrative Code regarding the proposed interest rates to be charged for the late payment of real estate taxes and the late payment of water and sewer rents.

These recommendations are being provided to you despite my objections and I respectfully urge that you consider rejecting them.

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 urged the Banking Commission to 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 suggested that we lower the interest rate by an amount equal to the drop in the prime rate since the Banking Commission submitted its recommendations to the Council last year, or by approximately 1.75 percent.

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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.

My representative on the Banking Commission voted against the Commission's recommendations and it is my hope that you will consider the merits of my argument and similarly reject their recommendations, choosing instead to reduce these interest rate charges.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink that reads "William C. Thompson, Jr." The signature is written in a cursive style with a large, stylized initial 'W'.

William C. Thompson, Jr.

c: Honorable Christine Quinn