

August 13, 2021

SUPERINTENDENT LINDA A. LACEWELL'S LETTER TO DFS STAFF

Dear DFS Colleagues,

It has been a privilege to lead you over the past two and a half years. With a new governor about to take office, it is time for me to move on and make way for new leadership. And so I have resigned my position effective August 24, 2021.

We only have a moment in time to make a difference. I am proud of the work we have done together. Our accomplishments are many. A few stand out for me, but know that I value every achievement and your daily work to protect consumers, enforce the law, and ensure safety and soundness of industry.

- At a time when the Trump administration defanged the CFPB, we repositioned DFS as a champion for consumers. Putting the consumer at the center of what we do is both right and prudent and we should never forget it.
- As the pandemic gripped the State, we took comprehensive action to help consumers suddenly out of work and we strengthened the health care system. We deferred health, life, and property insurance premiums, mortgage payments, and student loan payments. We waived ATM, overdraft, and credit card fees. We broadened access to telehealth and mental health services, and we suspended rules and brokered agreements to expand critical hospital capacity. We made COVID testing and vaccines free of charge for the insured. We saved consumers several hundred million dollars a year in health insurance premiums by cutting back on insurers' rate increase proposals.
- We are the first financial regulator - state or federal - to address the financial risks of climate change, which imperils our planet and affects the safety and soundness of industry. For insurance, we have already issued proposed guidance to be finalized this year and we are on track to do the same for banking this year as well. We are the first to give banks CRA credit for climate resiliency investments in communities. We have also begun to engage the public pension funds we regulate about addressing these risks.
- We modernized our approach to virtual currency business licensing and coin issuance, and we welcomed numerous new entrants, including global financial institutions. Responsible innovation is the key to building back better, and regulators have a responsibility to provide the regulatory guardrails and necessary guidance to protect both the emerging industry and consumers.
- We acted early to address ransomware attacks and cyber insurance, issuing guidance and best practices, and continuing DFS' cyber leadership. We brought our first enforcement action and settlements to enforce our nation-leading cybersecurity regulations. Cybersecurity is the biggest threat to industry and government bar none, and a cyberattack could be the trigger for the next financial crisis.
- We collected over a billion dollars in bank enforcement penalties and we helped secure billions of dollars in opioid settlements. We formed the Drug Accountability Board and launched investigations into pharmaceutical drug price spiking under our new Office of Pharmacy Benefits.
- We made a difference in financial inclusion and diversity. We addressed racial disparities in the mortgage industry in Buffalo, paving the way for CRA reform passed in Albany this year. We told industry to address the lack of diversity in the executive suite and on their boards. We are collecting and will publish data on diversity and inclusion from our

regulated entities. We formed a Committee for the Advancement of Women in Leadership in Financial Services. We created the first Statewide Office for Financial Inclusion and Empowerment.

With all that we have achieved together, what I will remember most is my interactions with you. Those days pre-COVID, walking the halls and meeting over a thousand of you individually where you worked, hearing about your lives and your families. Our conversations about George Floyd and the pain of racism, and celebrating the glory of ethnic diversity and heritage. As the proud daughter of an Anglo-Indian immigrant mother, I will carry these conversations with me for the rest of my life.

You should be proud of the work we have done together. Don't let your foot off the gas for one minute! You have my gratitude from the bottom of my heart and the whole of my being. Above all, thank you for your service.

Linda A. Lacewell