

*Minutes of the regular meeting of the
COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL (CDIAC)*

10:00 a.m. – 12:00 p.m., October 8, 2026

Federal Reserve Bank of New York

33 Liberty St., 10 NWCR

New York, NY 10045

Present in Person:

**James S. Vaccaro, Chairman, President and CEO, Manasquan Bank, Wall, NJ
Carol A. Allen, President and CEO, People's Alliance Federal Credit Union, Hauppauge, NY
Mark Lavarney, President and CEO of Watertown Savings Bank, Watertown, NY
Martin Morgado, President and CEO of Ives Bank, Danbury, Connecticut
Carlos Naudon, President and CEO, Ponce Bank and Ponce Financial Group, Bronx, NY
Michael P. Psyllos, President and CEO, Alma Bank, Long Island City, NY
Ronald Belle, President and CEO, AmeriCU Credit Union, Rome, NY
Jonathan Roberts, President and CEO, Hudson Valley Credit Union, Poughkeepsie, NY
Colleen C. Young, President and CEO, Bank of Cattaraugus, Cattaraugus, NY*

**Council Chair*

Federal Reserve Bank of New York Attendees:

*John C. Williams, President and CEO
Nora Fitzpatrick, Chief Operating Officer, Communications and Outreach Group
Adam Kirk, Principal Examiner, RCFI, Supervision Group
Kartik Athreya, Head of Research and Statistics Group
Dianne Dobbeck, Head of Supervision Group
Stanley Hardy, Director of Government & Industry Relations, Communications and Outreach Group
Janis Frenchak, Function Head of Consumer Compliance, Supervision Group
Rosanne Notaro, Assistant General Counsel, Legal Group
David Wiczer, Policy Economist, Research and Statistics Group
Craig Bradstock, Business Operations Specialist, Communications & Outreach
Joelle Scally, Economic Policy Advisor, Research and Statistics Group
Krista Dente, Business Operations Associate, Communications & Outreach*

Opening

The Council convened at 10:00 a.m. John Williams opened the meeting and welcomed Michael Psyllos to the group. Members discussed national and regional economic conditions, banking trends, and regulatory developments.

Presentations

A presentation was provided by David Wiczer on the national economy highlighting solid economic growth in 2026, though showing high uncertainty around outlook projections due to recent events. Though the economic environment has shown resiliency, various measures indicate the economic environment has become more uncertain. The labor market indicators have provided mixed signals in recent months, with inflation remain elevated.

A presentation on the current state of the regional economy provided by Joelle Scally showed an increase in regional activity after sustained weakness. Job growth showed strength in the New York city metropolitan area, with lower performance in other parts of the region. AI adoption has continued to increase, with skills retraining common and limited layoffs due to AI. Mortgage delinquencies have continued to rise, with consumer credit card and auto delinquencies elevated but not worsening.

Roundtable of economic and business conditions

Council members reported resilient but uneven economic conditions, with affordability pressures continuing to weigh on lower- and middle-income households. Participants noted persistent inflation in household essentials, elevated home prices, limited housing supply, and mortgage-rate that have restrained housing activity. Members also highlighted signs of consumer stress, including rising delinquencies and lower savings balances, alongside strong commercial and construction lending activity and continued competition for deposits and funding.

Banking conditions and additional matters

Members reported generally stable banking conditions, with strong construction and development pipelines, though also noting funding challenges, margin compression, and borrower sensitivity to higher interest rates. Some participants highlighted community banks pursue branch expansion to achieve scale, while emphasizing the ongoing importance of physical locations for banking relationships. Council members also highlighted growing investment in AI governance, cybersecurity, and fraud prevention, citing both operational efficiencies and rising cyber threats. Overall, participants agreed that banks must balance innovation and efficiency gains from AI with strong governance, risk management, and cybersecurity controls as the technology continues to evolve.

Closing

President Williams provided closing remarks and thanked everyone for their participation. The Council also recognized two members attending their final meeting, thanking them for their service and contributions to the Council.

Meeting adjourned at 12:00 pm.