

Minutes of the regular meeting of the COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL

11:30 a.m. – 1:30 p.m., Thursday, October 7, 2021

Federal Reserve Bank of New York

33 Liberty St., New York, NY

Present Via Conference Call:

Carol A. Allen, President & CEO, People’s Alliance Federal Credit Union

Martin K. Birmingham, President and CEO, Five Star Bank and Financial Institutions Inc.

Menzo Case, President and CEO, Generations Bank, Seneca Falls, NY

*Faheem A. Masood, President and CEO, ESL Federal Credit Union

Avner Mendelson, President and CEO, Bank Leumi, New York, NY

Ferdinand Viaud, President and CEO, Glen Rock Savings Bank, Glen Rock, NJ

Lisa Whitaker, President and CEO, CFCU Community Credit Union

Colleen C. Young, President and CEO, Bank of Cattaraugus

*Council Chair

Federal Reserve Bank of New York attendees:

John C. Williams, President & CEO

Jason Bram, Officer, Research & Statistics

Chris Armstrong, EVP, Financial Services

Davide Melcangi, Economist, Research & Statistics

Jack Gutt, EVP, Communications & Outreach

Rosanne Notaro, VP, Legal

Krista Dente, Business Ops Associate, Communications & Outreach

Mayra Gonzalez, AVP, Supervision

Belicia Rodriguez, Sr. Analyst, Outreach & Education

Jaison Abel, AVP, Research & Statistics

Nora Fitzpatrick, AVP, Communications & Outreach

Roundtable discussion

Council members provided insights on economic and business conditions, banking sector

and impacts of COVID-19.

Economic and business conditions

Members noted current conditions in employment, small business, housing, and the auto market. On access to workers, members explained companies were continuing to struggle to fill open positions with many workers citing the reassessment of quality of life, a need for additional compensation and benefits, and challenges with childcare responsibilities as core considerations for employment decisions. Members commented they did see some pockets of strength among businesses across sectors who struggled during the pandemic but now, as they have met the challenges, are seeing a strengthening and growth of their businesses.

On housing, there are markets across the region where supply and pricing are limiting the ability to purchase and impacting affordability. Members highlighted steep rises in housing prices in some markets. Members also raised affordability as a challenge for consumers seeking to buy a car. According to members, there is a lack of supply of new and used cars across the region, contributing to the steep increase in pricing.

Banking conditions and additional matters

Members noted that banking conditions were stable, with both deposits and spending trending upwards. Across the industry, they see that customers are drawing less on credit lines, and loans are trending flat or decreasing in most categories. There was also a continued discussion on structural changes in the banking industry due to increased reliance by both banks and customers on digital products and services, a trend that began pre-pandemic but has accelerated.

Regarding regulatory environment observations, the members noted an increase in the real-time sharing of information with regulators due to the necessity of going virtual. There is a sentiment that all these innovations of information exchange will continue, and the value of hybrid work, including in-person interactions, was also noted. Members continued to discuss the concerns broadly of the risks of cyberattacks, and all are working on multiple efforts to strengthen safeguards for bank systems and infrastructure.

Meeting adjourned at 1:30 pm.