

**Community Depository Institutions Advisory Council**  
**Discussion Questions**  
**March 5, 2019 Meeting**  
**Federal Reserve Bank of New York**

1. **Current Banking Conditions:** *What is the Council's view of the current condition of, and the outlook for, loan markets and financial markets generally? Please describe any significant changes in the creditworthiness of applicants for loans, loan demand, and lending standards in general.*
  - a. **Small Business Lending:** *Has credit availability for, and demand for credit from, small businesses changed significantly? Have lending standards for these borrowers changed?*
  - b. **Commercial Real Estate Lending:** *Have there been any changes in the Council's view of challenges in the commercial real estate market since the last Council meeting in November? How are commercial real estate loans performing compared to the Council's expectations?*
  - c. **Construction Lending:** *What is the Council's view of the availability of credit for construction and development projects? Have Council members seen any changes in the demand for construction loans since the last Council meeting in November?*
  - d. **Home Mortgage Lending:** *What changes has the Council seen in the mortgage market since the last Council meeting in November? Is a trend developing among community banks to increase, decrease, or cease home mortgage originations, and if so, what are the likely causes for and effects of this trend?*
  - e. **Consumer Lending:** *What changes have Council members seen in consumer lending?*
  - f. **Agricultural Lending:** *Have there been any changes in agricultural lending?*
  - g. **Deposits:** *Have Council members seen any changes in local deposit markets?*
2. **Economic Discussion:**
  - a. **Overall Economic Conditions:** *How do Council members assess overall economic conditions in their regions?*
  - b. **Particular Indicators:**

- i. *Inflation*: Are the prices of products and services rising (or declining) more or less quickly than in the recent past? Are the prices for the products and services Council members purchase rising more or less quickly?
  - ii. *Housing*: How have house prices changed in recent months? Have there been any changes in housing activity overall in Council members' regions?
  - iii. *Labor Markets*: How have the labor markets in which Council members operate changed in recent months? In particular, assess the degree of job loss or gain (how much and in which industries). What changes to wages have Council members observed in the past year?
  - iv. *Consumer Confidence*: Is the Council seeing signs of improved consumer confidence? What is the outlook for consumer credit losses?
3. **Small Dollar Lending**: What do Council members see as impediments to the broader offering of small dollar loan products to LMI borrowers by community depository institutions? Please be as specific as possible. In particular,
    - Are there innovations and new opportunities that are causing community depository institutions to reconsider the scale and scope of their small dollar loan programs?
    - For those institutions that offer or have experimented with offering small dollar loan products at scale, what has been the experience and how has this informed the views of these and other smaller institutions in the space? For those institutions that have not offered or experimented with offering small dollar loan products at scale, what single factor most kept them from doing so?
    - Are there other ways that community depository institutions can help consumers address cash-flow imbalances, unexpected expenses, or income volatility besides small-dollar credit products?
    - What does viable, safe and affordable small-dollar credit look like to smaller depository institutions? Please be specific.
  4. **Examination Practices**: Have Council members experienced problems with recent examinations? In particular, have examination practices constrained access to credit by creditworthy borrowers? What steps can be taken to address the Council's concerns?
  5. **Regulatory Matters and the Future of Banking**: How are recent changes in the regulatory landscape affecting the ability of community depository institutions to continue providing services to their customers? What has been the effect on the industry generally?
  6. **Additional Matters**: Have any other matters affecting community depository institutions emerged from meetings of the Reserve Banks' advisory councils that Council members want to present at this time?