Minutes of the regular meeting of the
COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL
11:00 a.m.–2:30 p.m., Friday, October 13, 2017
Federal Reserve Bank of New York
33 Liberty St., New York, NY

Present:
Martin K. Birmingham, President and CEO, Five Star Bank and Financial Institutions Inc.
John R. Buran, President and CEO, Flushing Bank and Flushing Financial Corp
Reyno A. Giallongo, Jr., Chairman and CEO, First County Bank
Gerald J. Klein, Jr., President and CEO, Tompkins Mahopac Bank
Katherine J. Liseno, President and CEO, Metuchen Savings Bank
Christopher Martin, Chairman, President and CEO, Provident Bank and Provident Financial Services Inc.
*Tyron Muse, President and CEO, Visions Federal Credit Union
Paula A. Stopera, President and CEO, CAP COM Federal Credit Union

*Council Chair

Federal Reserve Bank of New York attendees:
Jason Bram
Richard Charlton
Krista Dente
William Dudley
Richard Dzina
Jacqueline Fenton
Nora Fitzpatrick
Julia Gouny
Beverly Hirtle
Robert Rich
Joelle Scally
William Schaefer
Kevin Stiroh

The meeting was called to order at approximately 11:00 a.m.

1. Administrative Matters
   Mr. Dzina called the meeting to order and welcomed new members.

2. Presentations to Council Members
   Mr. Rich and Mr. Bram discussed the national and regional economic outlook.

3. Luncheon Discussion
   After a brief recess, Mr. Dudley joined the group for the luncheon discussion. Members were asked to comment on current banking conditions, overall economic conditions, payment systems, examination practices, and current and future regulatory matters.

   Members reported that overall economic conditions were favorable, although they noted variation across markets. Business conditions and loan demand are steady. Some members noted some lightening of credit standards.

   Members commented that commercial real estate lending volume is stable, with noticeable strength in some markets. Areas near transportation hubs are seeing a growth in multi-family
rental housing. Mortgage lending is stable in some regions of the District and growing in others. Some attendees observed an uptick in mortgage refinancing.

Commercial credit and small business credit are viewed as very competitive. Deposit rates are mainly unchanged and levels of deposits are steady. Members noticed some testing of new products to grow deposit rates.

Finding employees with specialized skills, such as compliance officers, continues to be a challenge for community depository institutions. Some members are instituting training programs, alternative work arrangements and compensation increases to attract and retain talent.

On examination practices, members reported that examination costs are high, which can impact their ability to deliver their products. The group’s discussion of regulatory matters focused on compliance issues and regulatory relief. The group also discussed marijuana banking.

The meeting adjourned at approximately 2:30 p.m.