

**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.

*Tyrone 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.