Minutes of the regular meeting of the
COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL
11:00 a.m. – 2:10 p.m., Monday, March 27, 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
Reyno Giallongo, Jr., Chairman and CEO, First County Bank
Saleem Iqbal, President and CEO, HAB Bank
Christopher Martin, Chairman, President and CEO, Provident Bank and Provident Financial
Services Inc.
Tyrone Muse, President and CEO, Visions Federal Credit Union

Federal Reserve Bank attendees:
Jason Bram
Chris Calabia
Richard Charlton
William Dudley
Richard Dzina
Jacqueline Fenton
Nora Fitzpatrick
Julia Gouny
Beverly Hirtle
Kenneth Isaacson
Bond Kraemer (FRB Philadelphia)
Miette Levine
Richard Peach
Joelle Scally
William Schaefer
Kevin Stiroh

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

1. Administrative Matters
   Mr. Charlton reviewed the antitrust guidelines with the members.

2. Presentations to Council Members
   Mr. Peach and Mr. Bram discussed the national and regional economic outlook.
   Mr. Isaacson discussed developments in payments.

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.

   Overall, members reported that business conditions are favorable. Loan demand is steady,
   with strength in auto loans and commercial real estate, while small business and residential
   mortgage lending is slower. Robust indirect auto loan volumes were reported in the New
York Metro area and record levels were reported in other places in the District, especially recently.

Finding employees with specialized skills, such as lending officers, continues to be a challenge for the depository institutions. Some members are instituting training programs and looking to attract employees through internship programs.

Deposit rates are mainly unchanged and levels of deposits are steady.

Although there was a post-election bump in consumer confidence, that has not translated into boosts in business confidence around the region.

Turning to overall economic conditions, members reported conditions are generally good, although there is variation among markets.

Members reported that fraud continues notwithstanding the implementation of EMV chip technology. Skimming is still possible because the magnetic strip is still present and it was estimated that 50 percent of merchants are not equipped to handle the new technology.

On examination practices, members reported that examination costs are high, although regulators are trying to reduce the number of days on site.

The group’s discussion of regulatory and other matters focused on compliance issues and interest in obtaining regulatory relief.

The meeting adjourned at approximately 2:10 p.m.