New York, July 12, 2018

A meeting of the Executive Committee of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Mr. Lipkin, Mr. Phillips, and
Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Mr. Potter, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Phillips, Corporate Secretary and
Vice President, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In the absence of a quorum of the members of the Board of Directors, the Directors present unanimously requested that the Executive Committee meet pursuant to Section 1 of Article II of the Bylaws.

In their discussion, the Directors received a report that economic indicators released since the last meeting have been consistent with the staff's forecast for real GDP growth in the first half of 2018 at a 3% annual rate. In their discussion, the Directors noted strong loan demand and competition; uncertainty over input costs due to trade tensions factoring into some companies' plans for capital expenditures and other major projects; the rising cost of housing in New York City and other cities, which is contributing to an increase in homelessness; and the possibility of alternative metrics of labor market conditions and employment expectations, such as health care coverage opt-out rates.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 1/2 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 4:48 p.m.

Corporate Secretary

New York, July 19, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 10:30 a.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Mr. Gorman, Mr. Lipkin, Mr. Mello,
Mr. Phillips, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Mr. Dzina, Executive Vice President,
Mr. Gutt, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Executive Vice President,
Ms. Mucciolo, Executive Vice President,
Mr. Potter, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Mr. Chowdhury, Senior Vice President,
Mr. Dages, Senior Vice President,
Mr. Peach, Senior Vice President,
Ms. Gouny, Officer and
Deputy Chief of Staff,
Ms. Phillips, Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

Ms. Melendez, Assistant Vice President,
attended a portion of the meeting by invitation.

The minutes of the meeting of (1) the Board held April 19, 2018; (2) the Board held May 3, 2018; (3) the Board held May 17, 2018; and (4) the Board held May 31, 2018, were submitted and approved by consent.

Ms. Melendez entered the meeting.

Mr. Strine provided an update on the Bank's Environmental Scan (# ). He explained that the Bank's leaders discuss current and anticipated environmental factors that impact the organization, the organization's capabilities, and how those capabilities may need to change in order to inform strategic objectives for the 2019-2021 planning horizon. Mr. Strine informed the Directors that he wanted to ensure their feedback was properly captured and incorporated into the results and to assess the degree of alignment between the views of Directors and senior management. A discussion ensued on the themes in feedback from the Directors, touching on broadening community outreach and engagement, assessing and maintaining technological capabilities, the Bank's role in FinTech, and workforce diversity.

Ms. Melendez exited the meeting.

Mr. Potter, referring to a series of charts (# ), discussed conditions in financial markets. He began with a discussion of market expectations for the path of U.S. monetary policy, highlighting that the market-implied probability of a rate increase in September was 90%, but near zero for the next Federal Open Market Committee meeting in July. Mr. Potter then reported that ongoing trade policy uncertainty was reflected in declines in major global equity indices, while the impact in currency markets has been more limited, with the exception of the depreciation of the Chinese renminbi.

Mr. Peach, referring to a series of charts (# ) entitled "U.S. Macro Overview," provided an update on the Bank's outlook for the U.S. economy. He reported that the staff's estimate for real GDP growth in 2018 has remained at around a 3% annual rate, unchanged since the prior meeting. Mr. Peach indicated that manufacturing orders were strong, and showed strong momentum in the economy entering the second half of the year. Mr. Peach then discussed recent trends in wages and noted that based on their historical relationship the unemployment rate suggests that wage growth should be higher than what is currently being experienced. A discussion ensued on the impact of trade discussions on the economic outlook.

In his management comments, Mr. Williams provided the Directors his perspective on the economic outlook and risks to this outlook. A discussion ensued on the labor force participation rate and the length and durability of the economic expansion.

In their discussion, Directors discussed U.S. equity markets remaining relatively resilient to ongoing trade uncertainty in part due to the continued strength of incoming U.S. economic data; continuing competition for deposits; the impact of the rising cost of housing on low-income and working families; and proposals to expand minimum wage legislation to certain types of workers (e.g., restaurant servers).

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 1/2 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

At this point, the meeting went into executive session, and Messrs. Blackwood, Dzina, Gutt, and Held, Mses. Hirtle and Mucciolo, Messrs. Potter, Rosenberg, Stiroh, Chowdhury, Dages, and Peach, Ms. Gouny, and Mr. Miu left the meeting.

Corporate Secretary

Executive Session - Board of Directors
July 19, 2018

Ms. Phillips was designated to keep the minutes of the executive session she attended.

In the first executive session, the Directors discussed the leadership transition with Mr. Williams.

Messrs. Williams and Strine and Ms. Phillips exited the meeting.

The second executive session was held with only the members of the Board of Directors.

The meeting duly adjourned at 11:30 a.m.

Corporate Secretary

New York, August 2, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 9:30 a.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Gorman, Mr. Hutchins, Mr. Lipkin,
Mr. Phillips, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Logan, Senior Vice President,
Mr. McCarthy, Vice President,
Ms. Phillips, Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that real GDP growth in the second quarter rose at a 4.1% annual rate, which was close to the staff's projection. Additionally, consumption growth and business fixed investment indicated greater momentum going into the second half than anticipated. The Directors then discussed financial markets continuing to weigh the impact on asset prices of strong incoming U.S. economic data against ongoing trade uncertainty; the rapid pace of technological innovation in areas such as artificial intelligence and telecommunications; uncertainty over the outcome of trade negotiations on some export and import activity; the impact of infrastructure deficiencies in Puerto Rico and the U.S. Virgin Islands on the rebuilding process; an observed increase in individuals opting out of health insurance.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

<u>Advances to and discounts for depository institutions</u>:

(a) Primary credit rate — 2 1/2 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 10:01 a.m.

Corporate Secretary

New York, August 13, 2018

A meeting of the Directors' Management and Budget Committee of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 1:30 p.m. this day.

PRESENT:

Mr. Mello, Chair Pro Tem,
Ms. Gil, Mr. Gorman, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Mink, Executive Vice President,
Ms. Brandow, Senior President,
Mr. Isaacson, Senior Vice President,
Ms. Miller, Senior Vice President,
Mr. Scenti, Senior Vice President,
Ms. Ashley, Vice President,
Ms. Melendez, Assistant Vice President,
Ms. Phillips, Vice President and Corporate Secretary,
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary,
Ms. Gouny, Officer and Deputy Chief of Staff, and
Ms. Collins, Associate.

The minutes of the meeting of Management and Budget Committee held February 14, 2018, were submitted and approved by consent.

Mr. Strine presented the "FRBNY Performance Report Q2 2018" (# ). He explained that the report is a quarterly performance self-assessment that Bank management uses to assess its performance against planned strategic initiatives, capital projects and the budget/resource plan for the year. Mr. Strine informed the Committee that one of the key themes that emerged in this report was related to resource contention due to competing priorities, raising similar concerns to past years such as the capacity to prioritize and sequence work and the need to deepen the pool of qualified resources for specialized work. [redacted]

[redacted] The Bank's revised staffing forecast combined with the anticipated spend [redacted] will result in a full year spend that is 1.2% over budget. A discussion ensued on diversity and inclusion and key personnel risk, and the Directors provided feedback to improve the format and effectiveness of the report.

Ms. Brandow and Mr. Isaacson presented the "Financial Services Group Update" (# ). They explained the objective of their presentation was to provide the Committee an update on the strategic and material activities of the Financial Services Group that will impact the Group's financial outlook and budget, as required by the Management and Budget Committee's charter. Mr. Isaacson began with an overview of the two business lines in the Financial Services Group, noting that the Wholesale Product Office was responsible for the management, operation, support, and development of the wholesale services including Fedwire Funds Service, Fedwire Securities Service, and National Settlement Service. The Cash and Custody business line supports the strategic direction set by the Cash Product Office at FRB San Francisco through the management of domestic and international coin and currency circulation. He also explained that both businesses just completed multiyear application modernization efforts. Mr. Isaacson discussed key business drivers for the Wholesale Product Office, which included strengthening resiliency and security posture, achieving greater end-to-end efficiency for domestic and cross-border payments through work such as standardizing global message formats, and investigating the demand for expanded operating hours. Going forward, Mr. Isaacson noted that the resources and cost associated with supporting real-time payments and resiliency and risk management initiatives could challenge long-term cost assumptions. Ms. Brandow provided background on the Cash and Custody business and highlighted that risks to ongoing business initiatives and the financial outlook include the rapidly evolving payments landscape, global banknote distribution and de-risking, the long-term risk posed by the advent of faster retail payments, and increased costs associated with shipments to Puerto Rico to support the island. A discussion ensued about the evolving challenges and risks to these businesses, and it was noted that a discussion of the Cash and Custody business will resume at the October Management and Budget Committee meeting.

Ms. Mink provided an "Update on Workforce Diversity" (# ). She explained that the objective of her presentation was to review and discuss the goals, status, and next steps in the Bank's effort to improve its workforce diversity. Ms. Mink noted that the Bank seeks to achieve a demographic profile that roughly represents the "commuting zone" of the Second District. However, the Bank's low turnover rate and relatively static headcount make it unlikely that we can achieve more than incremental improvement year-to-year without significant departures or growth of the organization. Nevertheless, the Bank has increased its efforts to diversify the pipeline of employees and has worked to achieve proportional representation of minorities and women at every level of the Bank through promotion. Specifically, the Bank has rolled out extensive training and education programs to improve the awareness of the value of diversity and inclusive management practices, increased cohort management of the Bank's entry programs to improve the focus on building a diverse pool of summer analysts and associates from which full-time entry level hires are made, included a diverse slate of candidates and interview panelists for all posted jobs, and tracked metrics to monitor each phase of the hiring process to identify and address obstacles to progress in converting a diverse pipeline into a more diverse workforce. A discussion ensued.

The meeting duly adjourned at 2:34 p.m.

Corporate Secretary

New York, August 16, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Hutchins,
Mr. Phillips, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Mr. Potter, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that incoming economic data has been consistent with a slowing of real GDP growth in the third quarter to the 3% to 3.5% annual rate range. While slower than the advanced estimate of real GDP growth in the fourth quarter of 4.1% at an annual rate, the report indicated that this range remains above the staff estimate of the economy's potential growth rate. In their discussion, a Director noted changes to health insurance premiums in New York State.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

<u>Advances to and discounts for depository institutions</u>:

(a) Primary credit rate — 2 1/2 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 4:41 p.m.

Corporate Secretary

New York, August 30, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Gorman, Mr. Hutchins,
Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Nordstrom, Senior Vice President,
Mr. McCarthy, Vice President,
Ms. Phillips, Vice President and
Corporate Secretary, and
Ms. Stein, Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report noting little change in the outlook based on recent economic data, with solid income growth and strong labor market conditions expected over the rest of the year as well as inflation continuing to run close to FOMC’s 2% longer-run goal. The report also indicated that the one area of softness was in housing market activity as sales continue to slow modestly while home prices continue to rise. In the discussion, the Directors noted continuing uncertainty over trade; trade tensions starting to have an impact on companies’ willingness to make investments; and continued strong competition for deposits and overall strength in the Upstate New York banking market.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 1/2 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 4:55 p.m.

Corporate Secretary

New York, September 13, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:30 a.m. this day.

PRESENT:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Gorman, Mr. Hutchins,
Mr. Lipkin, Mr. Mello, Mr. Phillips,
and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Mr. Gutt, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Executive Vice President,
Ms. Mink, Executive Vice President,
Mr. Potter, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Mr. Chowdhury, Senior Vice President,
Mr. Peach, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary,
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary, and
Ms. Gouny, Officer and
Deputy Chief of Staff.

The minutes of the meeting of (1) the Management and Budget Committee held February 14, 2018; (2) the Nominating and Corporate Governance Committee held April 9, 2018; (3) the Audit and Risk Committee held April 19, 2018; (4) the Board held June 28, 2018; (5) the Board held July 12, 2018; (6) the Board held August 2, 2018; (7) the Board held August 16, 2018; and (8) the Board held August 30, 2018, were submitted and approved by consent.

[redacted]

[redacted]

Mr. Strine provided a Cyber Update. He reported that the Bank has completed Phase 1 of the Cyber Security Program, which was building a roadmap and identifying where the biggest residual risks reside. A discussion ensued.

Mr. Potter, referring to a series of charts (# ), discussed conditions in financial markets. He began by discussing expectations for U.S. monetary policy and reported that short-term money market derivatives imply an expectation for a rate increase at the September Federal Open Market Committee (FOMC) meeting and a high likelihood of another rate increase in December. He noted that the market-implied path for the policy rate remains below the median path presented in the Summary of Economic Projections. Mr. Potter reported that the U.S. dollar has appreciated in 2018 due to the relative strength of the U.S. economy. However, he also noted that many emerging market country currencies have depreciated as the appreciation in the dollar has made it harder for some countries to repay its U.S. dollar-denominated debt. Other country-specific issues such as those in Turkey and Argentina have also further added to the depreciation of EM currencies. A discussion ensued on financial market expectations for the U.S. economic outlook.

Mr. Peach, referring to a series of charts (# ) entitled "U.S. Macro Overview," provided an update of the Bank's outlook for the U.S. economy. He reported that real GDP growth in the first half of 2018 has been revised higher to 3.2% from 2.9% at an annual rate, while the estimate for the second half has been revised down 0.3% to 2.7% due to lower-than-expected export growth. Mr. Peach highlighted that average hourly earnings rose notably in August, though real wage growth has remained relatively modest. Mr. Peach reported that the core PCE deflator hit the FOMC's objective of 2% in July. Mr. Peach raised some potential issues with the measurement of prices, and he indicated that measurement of real activity in the economy is difficult if prices can't be accurately captured. He referred to a recent revision to price indices for communication and medical technology equipment, which resulted in an increase in measures of real investment. A discussion ensued on differences in the services and goods sectors, and a Director requested further discussion on employment at a future meeting.

In his management comments, Mr. Williams discussed the economic outlook, noting that it is the strongest it has been in a long time. He added that the economic expansion is so far the second longest in U.S. history. He stated that employment has also been robust, with nonfarm payroll increases averaging over 200,000 per month, and also noted the potential impact on the economy as fiscal stimulus reverses in coming years and potential risks from international developments. A discussion ensued.

In their discussion, Directors reported that the number of uninsured in New York has declined significantly according to a recent report; competition for deposits and loans has continued to intensify, contributing to a decline of lending standards; potential systemic risks from cyber threats; a deterioration in underwriting and lending practices that appear to be putting more vulnerable populations at risk; several potential sources of stress for the financial system, such as emerging markets and cyber risks; increasing support among local politicians for an expansion of government-funded health care options as a means of expanding access to healthcare and providing a boost to growth and employment; and finally, a district court decision that may have implications for the Supreme Court's position on the Affordable Care Act.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, four Directors

VOTED to increase the existing rates in effect at this Bank by one quarter of a percent, and

Whereupon, four Directors

VOTED that the existing rates in effect at this Bank be established without change.

Given the event of the tie, the Directors agreed to maintain the current schedule of rates at this Bank.

<u>Advances to and discounts for depository institutions</u>:

(a) Primary credit rate — 2 1/2 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

At this point, the meeting went into executive session, and Messrs. Blackwood, Gutt, and Held, Mses. Hirtle, and Mink, Messrs. Potter, Rosenberg, Stiroh, Chowdhury, Peach, and Miu, and Ms. Gouny left the meeting.

Corporate Secretary

Executive Session - Board of Directors
September 13, 2018

Ms. Phillips was designated to keep the minutes of this executive session.

Mr. Williams discussed the search and selection process for the Bank's Chief Information Officer. A discussion ensued.

Whereupon it was duly and unanimously

VOTED to appoint Pamela Dyson as Executive Vice President in charge of the Bank's Technology Group, effective October 1, 2018.

Mr. Williams and Ms. Phillips presented an update on director succession planning and the upcoming director elections and appointments, noting that this matter had been previously discussed with the Nominating and Corporate Governance Committee. A discussion ensued.

Mr. Hutchins exited the meeting.

The Directors discussed the upcoming Class B election for the three-year period ending December 31, 2021.

Whereupon, it was duly and unanimously

VOTED to recommend to the recommend to the Committee on Recommendation of Candidates for Directors of the Federal Reserve Bank of New York the nomination of Glenn H. Hutchins as a Class B Director for another term beginning January 1, 2019.

Mr. Gorman exited the meeting, and Mr. Hutchins reentered the meeting.

The Directors then discussed the upcoming Class A election for the three-year period ending December 31, 2021.

Whereupon, it was duly and unanimously

VOTED to recommend to the recommend to the Committee on Recommendation of Candidates for Directors of the Federal Reserve Bank of New

York the nomination of James P. Gorman as a Class A Director for another term beginning January 1, 2019.

Mr. Gorman reentered the meeting.

The Directors discussed the vacant Class B seat and the upcoming Class C appointment.

Whereupon, it was duly and unanimously

VOTED to recommend to the recommend to the Committee on Recommendation of Candidates for Directors of the Federal Reserve Bank of New York the nomination of Adena T. Friedman as a Class B Director for the remainder of the term ending December 31, 2019;

AND

Whereupon, it was duly and unanimously

VOTED to recommend to the Board of Governors the appointment of Vincent Alvarez as a Class C Director.

Messrs. Williams and Strine and Ms. Phillips exited the meeting.

The final executive session was held with only the members of the Board of Directors.

The meeting duly adjourned at 12:16 p.m.

Corporate Secretary

New York, September 27, 2018

A meeting of the Executive Committee of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 9:30 a.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Lipkin, and Mr. Mello,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Potter, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Phillips, Vice President and Corporate Secretary, and
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary.

In the absence of a quorum of the members of the Board of Directors, the Directors present unanimously requested that the Executive Committee meet pursuant to Section 1 of Article II of the Bylaws.

In their discussion, the Directors received a report that the staff's estimate for real GDP growth in the third quarter of 2018 is in the 3% to 3.5% annual rate range, after 3.2% growth in the first half. The report also highlighted a move higher in inflation readings, with the 12-month change of the core PCE deflator reaching 2.0% for the first time since 2012. Directors noted that there were no new developments to report on since the prior meeting.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED to increase the existing rates in effect at this Bank by one quarter of a percent, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 3/4 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 9:43 a.m.

Corporate Secretary

New York, October 11, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Lipkin, Mr. Mello,
Mr. Phillips, and Ms. Scott,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Mr. Peach, Senior Vice President,
Ms. Remache, Senior Vice President,
Mr. Wensley, Vice President,
Ms. Phillips, Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that the staff's projection for real GDP growth in the third quarter of 2018 has been revised higher to the 3.75% to 4% annual rate range, after 4.2% growth in the second quarter. The report also highlighted a slowing in the growth of payroll employment in September, which may in part be due to the inability to report to work due to Hurricane Florence. In their discussion, the Directors noted that households of moderate-income and of color seem to be falling further behind on measures of financial well-being, in particular homeownership, and the merger of two major healthcare companies, which could positively impact accessibility to healthcare services.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 3/4 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 4:43 p.m.

Corporate Secretary

New York, October 15, 2018

A meeting of the Directors' Management and Budget Committee of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 9:00 a.m. this day.

PRESENT:

Mr. Mello, Chair Pro Tem,
Ms. Gil, Mr. Gorman, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Dzina, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Mr. Armstrong, Senior Vice President,
Ms. Miller, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary,
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary, and
Ms. Belokon, Financial Planning and Analysis Manager.

The minutes of the meeting of Management and Budget Committee held August 13, 2018 were submitted and approved by consent.

Mr. Strine reported on the Bank objectives for 2019 to 2021, which were the outcome of the environmental scan and subsequent stages of the annual planning and budgeting cycle. As part of the strategic planning process, several key enterprise risks were identified concerning, among others, cyber and insider threats as well as internal and external dependencies. The priorities set for the near term as a result of the planning process relate to a range of issues including resiliency and common infrastructure such as cloud computing, identity and access management, customer relationship management, and content management systems.

Mr. Strine then reported that the Bank's budget growth in 2019 over the 2018 forecast was 3.9% and 3.8% over a three-year period (2017-2020). He noted that this adheres to a known Federal Reserve System target of 3.8-4.0%. He also discussed the effort that goes into accurate hiring and turnover assumptions given the impact of these assumptions on the accuracy of projected budget growth. Mr. Strine reported that unlike previous years, when the Bank experienced an annual budget underrun, the Bank expects to exceed its 2018 budget for the first time in recent history.

Mr. Strine concluded his discussion of the budget by making some remarks on the risks to the budget that may materialize and impact resources, including resiliency and cybersecurity work, the standard payments messaging platform International Organization for Standardization, Financial Management Platform, and human capital management.

After a discussion, the Committee voted to endorse the Bank's proposed 2018 budget and submit it to the full Board.

Mr. Armstrong then presented an update on the Financial Services Group's Cash and Custody area (# ). He provided an update on the strategic and material activities of the Financial Services Group (FSG), including the Wholesale Product Office (WPO), that will impact the Group's financial outlook and budget. Mr. Armstrong described the role of the Financial Services Group's support for the Federal Reserve System's mission as fostering a safe and efficient payment and settlement system to the banking industry and U.S. government. He noted that the discussion will focus on the cash and custody business since an update on wholesale services was provided to the Committee in August. The Cash and Custody business supports the strategic direction set by the Cash Product Office at the Federal Reserve Bank of San Francisco through the management of domestic and international coin and currency circulation. He highlighted that the Cash and Custody Function within the Federal Reserve Bank of New York is the largest of the Federal Reserve System's 28 Cash Offices. Mr. Armstrong reported that they provide Global Currency Services amid evolving international market trends and heightened risk mitigation practices. Mr.

Armstrong also discussed risk to the Cash and Custody's business initiatives, including the rapidly evolving payments landscape, global banknote distribution and de-risking, and long-term risk posed by the advent of faster retail payments. In addition, he discussed risks to the financial outlook, such as market uncertainties creating higher/lower demand for currency, the effect of international de-risking on Federal Reserve Bank of New York staffing levels, shifts in the System's strategic direction for providing cash services, and increased costs for shipments to Puerto Rico to support the island.

The meeting duly adjourned at 9:57 a.m.

Corporate Secretary

New York, October 25, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:30 a.m. this day.

PRESENT:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Hutchins, Mr. Lipkin,
Mr. Mello, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Ms. Dyson, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Senior Vice President,
Ms. Mink, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Remache, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary,
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary, and
Mr. Pinkovskiy, Senior Economist.

Mr. Wagner, Senior Vice President, attended a portion of the meeting by invitation.

The minutes of the meeting of (1) the Audit and Risk Committee held June 14, 2018; (2) the Board held June 14, 2018; (3) the Board held July 19, 2018; and (4) the Management and Budget Committee held August 13, 2018, were submitted and approved by consent.

[redacted]

[redacted]

Mr. Pinkovskiy presented a briefing on "Health Inequality" (# ). He reported that health, as measured by life expectancy, has increased, but that there is now greater inequality of outcomes. Mr. Pinkovskiy noted that life expectancy has become more related to income, with a 10% increase in income associated with an increase of life expectancy of 7 months in 2014 compared to 3 months in 1980. He also highlighted that life expectancy is unequal across U.S. counties by the level of urbanization, with life expectancies in cities higher than other parts of the country. Mr. Pinkovskiy noted that redistribution and expanding access to health insurance are unlikely to decrease life expectancy inequality or to weaken the relationship between life expectancy and income. As evidence, he noted that indicators of access to health insurance and use of preventative care do not correlate strongly with life expectancy of the poor, and Sweden, which has universal healthcare and greater income redistribution, has a stronger relationship between income and life expectancy than does the United States. Mr. Pinkovskiy reported that the factors most associated with higher life expectancy are higher share of immigrants, homes values, local government spending, share of college graduates, and population density. He suggested that cities may promote good health behaviors through public goods and culture, such as smoking limitations and walkability. When accounting for factors such as smoking, diet and exercise, the link between health and income weakens considerably. A discussion ensued.

Mr. Wagner entered the meeting.

Ms. Mink and Mr. Wagner presented the 2018-2019 Compensation Program (# ). They reported that both officer and staff salaries have been brought more in line with market. From a total cash perspective, however, they noted market lags particularly among officers in the more specialized and market-sensitive job families. Mr. Wagner discussed the 2018 year-end salary program budget. He noted that the Board of Governors has agreed with the recommendations from the Federal Reserve Banks to provide guidance on the composite base salary budget rather than individual components as in prior years. This change allows the individual banks the flexibility to spend the budget as needed to address the most pressing compensation issues. In the future, the flexibility is expected to be used to align titles/levels, frequency of promotions, and career progression more effectively. A discussion ensued.

Mr. Wagner exited the meeting.

Mr. Strine presented the 2019 Budget (# ). Mr. Strine reported on the Bank's final 2019 budget transmission which is projected to reflect direct expense budget growth of 3.9% in 2019 and 3.8% over a three-year period (2017-2020), which adheres to a System target. He reported on the budget growth drivers, of which compensation is the biggest. He communicated that the Bank has made significant headway in incorporating multi-year planning and two-way risk into its budget process this year, and noted the known budget risks that may materialize and impact resources in 2019 and 2020, such as resiliency/cyber security. A discussion ensued on risks to the forecast and whether resources were sufficient to achieve the Bank's strategic objectives.

WHEREUPON, the Directors VOTED to approve the Bank's proposed 2019 budget and 2019 compensation programs.

Mr. Peach, referring to a series of charts (# ) entitled "U.S. Macro Overview," provided an update of the Bank's outlook for the U.S. economy. He reported that the staff's projection for real GDP growth in the second half of 2018 has been revised higher to 2.9% at an annual rate, from 2.7% in September. Mr. Peach reported that the economy is entering the fourth quarter with strong momentum in the manufacturing and industrial sector, particularly in the output of oil and natural gas. He discussed trends in compensation and real output per hour, and highlighted that the change in compensation is outstripping that in productivity. Mr. Peach showed that the labor share of national income has started to rise recently, after a period of decline, which is consistent with the economy operating near full employment. Mr. Peach then reported that core goods PCE has slowed recently, though remains near 2%. He explained that the job loss rate increased across different wage levels during the recession, but affected the lowest earners the most. He then showed that those with wage levels in the middle quintile have been having the most success in finding employment in recent years. A discussion ensued on the recent drivers of and the outlook for inflation and employment.

Ms. Remache, referring to a series of charts (# ), discussed conditions in financial markets. She began with a discussion of market expectations for U.S. monetary policy. Ms. Remache explained that an increase in the policy rate at the December meeting is almost fully priced into money market futures contracts, and a further two to three increases are currently implied for 2019. She continued with a discussion of balance sheet normalization, noting that the redemption caps increased to their maximum levels starting October 1 and maturing securities have been fully redeemed since they fell below these levels. She also discussed elevated financial market volatility, including declines in U.S. equity indices, which market participants have attributed to uncertain trade negotiations between the U.S. and China and a number of negative earnings guidance from U.S. companies. Nevertheless, Ms. Remache showed that U.S. equity indices have outperformed other major global equity indices. A discussion ensued on the drivers of U.S. Treasury yields.

In his management comments, Mr. Williams reported on the divergence between signals on the economy from recent financial market performance and incoming macroeconomic data. He noted that macroeconomic data remains strong, including indicators on overall economic growth such as GDP and employment indicators such as the unemployment rate. In addition, Mr. Williams highlighted that the underlying inflation trend remains consistent with the Federal Open Market Committee's 2% goal. He noted that fiscal spending will decline notably in 2020, which could pose a headwind to the U.S. economy. Mr. Williams also discussed some international risks, including those related to the United Kingdom's exit from the European Union and developments in Italy. A discussion ensued.

In their discussion, Directors reported on ongoing challenges attracting deposits; a survey of employer-sponsored health coverage, which showed that increases in premiums have outpaced wages over the past decade; opportunities to leverage tax credits and deferments to assist community development; the need to increase public investment in infrastructure, education, and research to improve the long-term prospects for the U.S.

economy; and middle-class workers being unlikely to continue purchasing health insurance once the tax penalty for not doing so ends.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows, and

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 3/4 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

At this point, the meeting went into executive session, and Mr. Blackwood, Mses. Hirtle, and Mink, Messrs. Rosenberg and Peach, Ms. Remache, and Messrs. Miu and Pinkovskiy left the meeting.

Corporate Secretary

Executive Session - Board of Directors
October 25, 2018

Ms. Phillips was designated to keep the minutes of this executive session.

Mr. Williams introduced Ms. Dyson, the Bank’s new Chief Information Officer and Executive Vice President of the Technology Group, to the Board of Directors.

Messrs. Williams and Strine, Ms. Dyson, Mr. Held, and Ms. Phillips exited the meeting.

The final executive session was held with only the members of the Board of Directors.

The meeting duly adjourned at 12:30 p.m.

Corporate Secretary

New York, November 8, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 2:30 p.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Mr. Gorman, Mr. Hutchins, Mr. Mello,
Mr. Phillips, and Ms. Scott,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Mr. Peach, Senior Vice President,
Mr. Wuerffel, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that the staff's projection for real GDP growth in the second half of 2018 has been revised higher to 3.3% at an annual rate, from 2.7% in September. The revision higher reflects stronger-than-expected data released in recent weeks, notably including indicators of consumer and government spending. The Directors noted no new developments to report on since the prior meeting.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

<u>Advances to and discounts for depository institutions</u>:

(a) Primary credit rate — 2 3/4 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 2:38 p.m.

Corporate Secretary

New York, November 15, 2018

A meeting of the Executive Committee of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Ms. Scott, Deputy Chair,
Ms. Gil, Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President and General Counsel,
Mr. Peach, Senior Vice President,
Ms. Remache, Senior Vice President,
Ms. Phillips, Vice President and Corporate Secretary, and
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary.

In the absence of a quorum of the members of the Board of Directors, the Directors present unanimously requested that the Executive Committee meet pursuant to Section 1 of Article II of the Bylaws.

In their discussion, the Directors received a report that data released since the previous meeting has not had a material impact on the staff's projection for real GDP growth in the fourth quarter of 2018, which is expected to be in the range of 2.5% to 3%. In their discussion, the Directors discussed three areas of ongoing focus in the health care sector, including the provision of healthcare for those with pre-existing conditions, prescription drug pricing, and the approval of Medicaid expansion in several states; a notable decline in spending on television advertising in the U.K., which is an indicator of business confidence and is consistent with a high degree of uncertainty over the impact of the U.K.'s exit from the European Union; and the business sector's concerns over the impact of tariffs, particularly on the automotive industry.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED that the existing rates in effect at this Bank be established without change, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 3/4 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 4:41 p.m.

Corporate Secretary

New York, November 29, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 p.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Gorman, Mr. Hutchins,
Mr. Lipkin, Mr. Phillips,
and Ms. Scott,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Mr. Peach, Senior Vice President,
Ms. Remache, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that the second estimate of growth of real GDP in the third quarter of 2018 was 3.5% at an annual rate, unchanged from the first estimate. In addition, the report highlighted that early anecdotal reports of retail sales over the Black Friday and Cyber Monday period have been strong. In their discussion, the Directors noted the decline of U.S. equity indices in response to uncertainty over the impact of tighter U.S. monetary policy, trade uncertainty, and investor unease with the long duration of the current economic expansion; concern that the availability of work opportunities for freelance workers may not increase at the same pace as in recent years; tepid technology investments based on companies’ consideration of rising uncertainty including geopolitical factors such as tariff negotiations; continued strong loan demand and performance; and rising building costs putting pressure on the supply of affordable housing.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, one Director

VOTED to increase the existing rates in effect at this Bank by one quarter of a percent, and

Whereupon, five Directors

VOTED that the existing rates in effect at this Bank be established without change, as follows:

<u>Advances to and discounts for depository institutions</u>:

(a) Primary credit rate — 2 3/4 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 4:50 p.m.

Corporate Secretary

New York, December 6, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:30 a.m. this day.

PRESENT:

Ms. Horowitz, Chair,
Mr. Gorman, Mr. Hutchins,
Mr. Lipkin, Mr. Mello, Mr. Phillips,
and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Ms. Dyson, Executive Vice President,
Mr. Dzina, Executive Vice President,
Mr. Gutt, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Executive Vice President,
Ms. Mink, Executive Vice President,
Ms. Mucciolo, Executive Vice President,
Mr. Potter, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary,
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

The minutes of the meeting of (1) the Audit and Risk Committee held September 13, 2018; (2) the Board held September 13, 2018; (3) the Board held September 27, 2018; (4) the Board held October 11, 2018; (5) the Board held November 8, 2018; (6) the Board held November 15, 2018; and (7) the Board held November 29, 2018, were submitted and approved by consent.

The Directors, by consent,

having received and reviewed a copy of the general resolution conferring authority on the officers to conduct the business of the Bank, VOTED to adopt such general resolution in the form submitted to them (# );

having received and reviewed a copy of the resolution establishing the primary credit rate in a financial emergency, which is expiring on December 31, 2018, unless the Board of Directors renews the resolution for an additional period,

VOTED to adopt such resolution in the form submitted to them (# );

VOTED that a dividend at the rate of six percent per annum for the six-month period ending December 31, 2018 be declared on the paid-in capital of the Bank, payable on December 31, 2018 to stockholders shown on the books of the Bank at the close of business on December 28, 2018;

VOTED to adopt the following resolution to elect the Bank's representative on the FOMC:

"RESOLVED, that this Board does hereby vote to elect John C. Williams, President of the Federal Reserve Bank of New York, as the representative of this Federal Reserve Bank on the Federal Open Market Committee ("FOMC") created by Section 12A of the Federal Reserve Act, as amended, to serve as such representative for the period beginning on the date of the first regularly scheduled meeting of the FOMC in 2019 through the conclusion of the day immediately before the date of the first regularly scheduled meeting of the FOMC in 2020, and does hereby vote to elect Michael Strine, First Vice President of the Federal Reserve Bank of New York, to serve during the same period as an alternate on the Federal Open Market Committee in the absence of President John C. Williams".

The Directors, by consent,

VOTED to approve the 2019 Standing Committee assignments (# ).

[redacted]

Mr. Potter, referring to a series of charts (# ), discussed conditions in financial markets. He began with a discussion of market-implied expectations for U.S. monetary policy. He explained that money market futures contracts have suggested a near 100% probability of a rate increase at the December Federal Open Market Committee meeting for some time, but in recent days there has been a notable shift, such that these instruments now imply an 80% probability of a rate increase at this meeting. Mr. Potter reported that the S&P 500 index is now down for the year, with shares in banks and other major international equity indices underperforming the broader U.S. index. In addition, he noted that the 10-year U.S. Treasury yield has declined approximately 40 basis points from a high of around 3.25% in early November, and at current levels would suggest only one more increase in policy rates in 2019. Mr. Potter explained that market participants have attributed some of the moves in financial markets to Federal Reserve commentary and the ongoing normalization of monetary policy. He reported that the price of oil has declined significantly since early November, and attributed the moves to a number of factors that have contributed to increases in supply from other major international suppliers after sanctions on Iran took effect. Mr. Potter noted that the U.S. dollar has appreciated broadly against the currencies of major developed and emerging market economies. He attributed the dollar's appreciation to a number of country-specific factors, such as the impact of the decline in oil prices for major producers, uncertainty over Italy's budget outlook, and the United Kingdom's impending exit from the European Union. A discussion ensued about the outlook for the U.S. economy, monetary policy, and corporate credit.

Mr. Peach, referring to a series of charts (# ) entitled "U.S. Macro Overview," provided an update of the Bank's outlook for the U.S. economy. He reported that the staff projection for growth of real GDP in 2019 was revised lower to 2.25% from 2.5%, reflecting the impact of slower growth abroad and the appreciation of the U.S. dollar. He noted that the revised growth rate remains higher than the staff estimate of potential growth, and continues to indicate a tightening of resource utilization in the

U.S. economy. In addition, Mr. Peach reported that the staff projection for core PCE inflation in 2019 was lowered slightly to 2.1% from 2.2%. He highlighted that the trend for real personal consumption expenditures has been solid, while the personal saving rate is back to where it was before the tax cut. Anecdotal reports on the pace of retail sales in November have suggested strength. Federal fiscal stimulus has continued to provide a boost to the economy and has flowed through to spending at the state and local government level as well. Mr. Peach reported that the ISM manufacturing release for November still looks solid, while the composite index of Purchasing Managers Indices (PMI) suggested a slowdown in activity in other major advanced and emerging market economies. He also reported that housing activity has slowed over the past 6 months, as has inflation, as core PCE ticked down from 2% to 1.8% due to core services, with much of the shift due to changes in administered prices in the health care sector. A discussion ensued on the impact of international factors on the U.S. outlook and developments in the automotive and manufacturing sectors.

In his management comments, Mr. Williams observed that recent economic data, including manufacturing, auto sales, and consumer spending, have all been at or better than most economists expected. The strength of incoming data seems inconsistent with recent market volatility. However, he suggested that the Federal Open Market Committee's data dependent stance allows them to adjust as and if needed. He noted some uncertainty due to international risks, such as the United Kingdom's exit from the European Union. A discussion ensued.

The Directors reported on observations from a recent conference on the financial crisis; difficulties in finding workers, particularly in lower-skilled jobs; occasional bouts of market volatility discouraging complacency among investors; smaller businesses increasingly adopting newer technology, which may make them less vulnerable to cyber risks; slowing in residential mortgage activity as interest rates have risen and following changes that reduce the benefit of the mortgage interest deduction; the poor condition and need for funding of public housing stock in New York City; and work that needs to be done to understand the implication of policy decisions, such as on trade, on the labor sector.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, three Directors

VOTED to increase the existing rates in effect at this Bank by one quarter of a percent, and

Whereupon, four Directors

VOTED that the existing rates in effect at this Bank be established without change, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 3/4 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

At this point, the meeting went into executive session, and Mr. Blackwood, Ms. Dyson, Messrs. Dzina, and Gutt, Mses. Hirtle, Mink, and Mucciolo, Messrs. Potter, Rosenberg, Stiroh, Peach, and Miu left the meeting.

Corporate Secretary

Executive Session - Board of Directors
December 6, 2018

Ms. Phillips was designated to keep the minutes of this executive session.

In the first executive session, Mr. Williams discussed the search and selection process for the Bank's Federal Advisory Council representative and recommended that René F. Jones, Chairman and Chief Executive Officer, M&T Bank, be appointed as the Bank's representative to the Federal Advisory Committee (FAC). A discussion ensued, including a request for the next FAC representative to attend future Board meetings to report out on the FAC meetings.

Whereupon, the Directors

VOTED to select René F. Jones as the member of the Federal Advisory Council (FAC) representing the Second Federal Reserve District for 2019.

In the second executive session, Messrs. Williams and Strine discussed the upcoming retirement of the Bank's Chief Human Resources Officer. They described the search process for the successor, and noted that directors are invited to participate in the process. A discussion ensued.

In the third executive session, Mr. Williams and Ms. Phillips discussed the Directors Self-Assessment process. After reviewing the process, canvassing other Reserve Banks, and researching corporate best practices, they recommended that the current Self-Assessment survey be completed every two years, offset with one-on-one discussions with the CEO/CFO during the off year. A discussion ensued, and the directors supported this recommended approach.

Messrs. Williams, Strine, and Held and Ms. Phillips exited the meeting.

The final executive session was held with only the members of the Board of Directors.

The meeting duly adjourned at 12:30 p.m.

Corporate Secretary

New York, December 20, 2018

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 9:30 a.m. this day.

PARTICIPANTS:

Ms. Horowitz, Chair,
Ms. Gil, Mr. Gorman, Mr. Mello,
Mr. Lipkin, Mr. Phillips,
and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Mr. Potter, Executive Vice President,
Mr. Peach, Senior Vice President,
Ms. Phillips, Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that the staff projection for growth of real GDP in the fourth quarter was revised lower to 2.25% from 2.5%, reflecting a larger-than-expected trade deficit in October. In their discussion, the Directors noted the potential implications of a recent court decision that ruled the Affordable Care Act unconstitutional; a decline in U.S. equity markets in recent weeks due to a shift in investor sentiment related to uncertainties around trade negotiations and the U.S. monetary policy outlook; the potential impact of trade negotiations with China global supply chains; the impact of a potential economic and financial market downturn on funding for the nonprofit sector; and a seemingly growing political consensus in support of workers, including the need to invest in infrastructure and training.

Ms. Phillips then presented the schedule of rates in effect at this Bank.

Whereupon, three Directors

VOTED that the existing rates in effect at this Bank be established without change, and

Whereupon, four Directors

VOTED to increase the existing rates in effect at this Bank by one quarter of a percent, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 3 percent per annum.

(b) Secondary credit rate — primary credit rate plus 50 basis points.

(c) Seasonal credit rate — the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

The meeting duly adjourned at 9:49 a.m.

Corporate Secretary