

**Minutes of the regular meeting of the
COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL**

11:00 a.m. –2:15 p.m., Friday, March 9, 2018
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.
Lourdes Cortez, President & CEO, North Jersey Federal Credit Union
Reyno A. Giallongo, Jr., Chairman and CEO, First County 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	Sarah Bell
Richard Charlton	Beverly Hirtle
Krista Dente	Richard Peach
William Dudley	Sanjay Sudhir
Richard Dzina	William Schaefer
Jacqueline Fenton	Kevin Stiroh
Nora Fitzpatrick	Jack Gutt
Michael Held	Michael Strine

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

1. Administrative Matters

Mr. Dzina called the meeting to order and welcomed the members.
Mr. Charlton reviewed the 2015 Antitrust Guidelines with the Council.

2. Presentations to Council Members

Mr. Peach 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 regulatory matters.

Members reported that overall economic conditions were favorable, with variation across markets. Attendees expected that impacts from tax reform were still being weighed by businesses. Business conditions and loan demand were steady.

Some markets in upstate New York have seen a gradual increase in large employers. Higher education also continues to be an area of growth and development in upstate New York.

Members reported that the housing market was stable, with some noting a shortage of mid-priced housing options. Members noted that the impact of tax reform on affordable units and housing starts

was still being evaluated. Multifamily developments remain a key avenue for commercial real estate lending. Small business credit is active and viewed as competitive.

Members reported mixed employment conditions across the region. Many of the members commented on tight employment conditions due to competition for workers outside the region. Finding employees with specialized skills continues to be a challenge for the community depository institutions.

Members also noted an increase in the demand for deposits and more evidence of rate competition. There was a view that fintech payment systems growth is rapid. Regulatory and compliance costs, according to members, are on the rise and many commented on continued inconsistency in the examination process.

The meeting adjourned at approximately 2:15 p.m.