

**Minutes of the regular meeting of the  
Community Depository Institutions Advisory Council**

11:00 a.m. – 2:30 p.m., Friday, October 10, 2014

Federal Reserve Bank of New York

33 Liberty St., New York, NY

**Present:**

Robert G. Allen, President and CEO, Teachers Federal Credit Union  
John R. Buran, President and CEO, Flushing Bank and Flushing Financial  
Michael J. Castellana, President and CEO, SEFCU, Council Chair  
Lisa M. Cathie, President and CEO, Ulster Savings Bank  
Martin A. Dietrich, President and CEO, NBT Bank, N.A. and NBT Bancorp, Inc  
Jose Rafael Fernandez, President, CEO, and Vice Chairman, Oriental Bank and OFG Bancorp  
James W. Fulmer, Chairman, President and CEO, Tompkins Bank of Castile  
Saleem Iqbal, President and CEO, Habib American Bank  
Katherine J. Liseno, President and CEO, Metuchen Savings  
Mary D. Madden, President and CEO, Hudson Valley Federal Credit Union  
Thomas J. Shara, President and CEO, Lakeland Bank & Lakeland Bancorp, Inc.  
John F. Trentacosta, President and CEO, Newtown Savings Bank

Federal Reserve Bank of New York staff:

Richard Charlton	James Orr
Christine Cumming	Rae Rosen
William Dudley	William Sabado
Rodney Garratt	William Schaefer
Jack Gutt	Roseann Stichnoth
Miette Levine	Luis Uranga
Jamie McAndrews	

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Ms. Stichnoth called the meeting to order at approximately 11:00 a.m.

**1. Presentations to Council Members**

Mr. Rich and Mr. Orr discussed the national and regional economic outlook.

Mr. Garrett gave a presentation on virtual currencies.

**2. 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, banking examination practices, and current and future regulatory matters.

Overall, institutions reported a more positive second and third quarter for 2014, with better

credit quality and borrowers in a stronger position. Members noted, however, that margin compression continues to present an issue.

Members generally reported that small business lending remains low, though business conditions have improved. Members noted increased competition among commercial real estate lenders, while levels of construction lending are varying greatly by region. Reports of demand for home mortgages were mixed, though auto lending is strong and very competitive. Deposits, however, remain mostly flat.

Turning to general economic conditions, members agreed that conditions are improving, though concerns were expressed over rising healthcare costs. On the payments side, members noted the continued growth in the popularity of mobile payments and emergence of new payment platforms.

In the discussion of examination practices, some members gave perspectives on examinations by multiple regulators and the cost of regulatory compliance.

The group's discussion of regulatory and other matters touched on the future value and composition of branches and continued concerns over cybersecurity and the cost to depository institutions of data breaches.

The meeting adjourned at approximately 2:00 p.m.