

**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

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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.