New York, July 2, 2020

A meeting of the Directors' Standing Special Committee to consider the reappointment of the president and first vice president of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:15 p.m. this day.

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Hutchins, and Mr. Phillips,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Nash, Officer and
Assistant Corporate Secretary.

The Committee discussed the reappointment process for the President and the First Vice President of the Bank. The Committee noted that at a meeting on June 11, 2020, the eligible Directors voted to create a special standing committee of the Board pursuant to Article II, Section 5 of the Bank's Bylaws. The Committee was charged with the responsibility for adopting and implementing a process for evaluating the performance of the president and first vice president, and determining whether John Williams and Michael Strine should be reappointed as president and first vice president, respectively, of the Bank for new five-year terms to begin on March 1, 2021. Ms. Phillips then reiterated that during the executive session of the June 11th Board meeting, it was decided that the membership of the Special Standing Committee would consist of Ms. Scott as Chair, with Mr. Alvarez, Ms. Friedman, Ms. Gil, Mr. Hutchins, and Mr. Phillips as members.

The Committee then discussed the evaluation process for the Bank's president and first vice president. The Committee reviewed and provided comments on a proposed process. They also agreed that the president and first vice president should complete and submit to the Committee Chair their self-assessments. Finally, the Committee also discussed the process for obtaining feedback from key constituents and stakeholders within the Bank, the Federal Reserve System, and throughout the Second District and beyond. A discussion ensued on a range of topics including the role of the Corporate Secretary's Office in assisting the Committee with the reappointment process and communications regarding the reappointment process.

The meeting duly adjourned at 4:53 p.m.

Corporate Secretary

New York, July 9, 2020

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. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil, Mr. Gorman, Mr. Hutchins, Mr. Kennedy, and Mr. Mello,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Logan, Executive Vice President,
Mr. Lucca, Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary, and
Mr. Nash, Officer and Assistant Corporate Secretary.

Ms. Barber, Senior Associate, attended the meeting by invitation.

In their discussion, the Directors received a report that non-farm payrolls rose by 4.8 million, the June 2020 unemployment rate decreased to 11.1% from 13.3% in May 2020, and real GDP is forecasted to decline by 33% in the second quarter. In their discussion, the Directors reported on the New York State budgetary issues that are causing growing concerns among healthcare and non-profit organizations; the different economic experiences that are occurring throughout the country, and the uncertain near-term economic conditions, given surges in confirmed COVID-19 cases and upcoming national elections; the need for public policy makers to unify an approach to managing the economy and containing the spread of the virus, and high-frequency indicators, such as credit card receipts, that are illustrating the impact of the virus on small businesses; the economic improvements in the retail and lodging sectors, but highlighted challenges faced by other small businesses, as did a Director [redacted] who noted that

Paycheck Protection Program funding has helped with capital and liquidity needs; the possible need for another fiscal response from Congress, since significant evictions may emerge in the residential and commercial markets in upcoming months if federal benefits are not extended, and the increased amount of deposits being made into minority deposit institutions; the various New York State and New York City issues, including increasing private sector job losses, growing budgetary concerns, rising crime and social unrest, and increases in unpaid rent in the commercial and residential real estate markets, which are adversely impacting the construction industry; the strong health of the initial public offering market, the increase in bookings being experienced by some lodging companies, and the continued evaluation of how and when to safely bring employees back to work.

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

Whereupon, it was 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 — 1/4 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 5:02 p.m.

Corporate Secretary

New York, July 16, 2020

A meeting of the Directors' Standing Special Committee to consider the reappointment of the president and first vice president of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:15 p.m. this day.

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Hutchins, and Mr. Phillips,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Nash, Officer and
Assistant Corporate Secretary.

The Committee continued their discussions concerning the reappointment process for the President and the First Vice President of the Bank. Ms. Phillips explained the proposed process for obtaining feedback from stakeholders regarding the performance of John Williams and Michael Strine. She stated that the Mr. Williams and Mr. Strine provided the Committee with references from within the Bank, the Federal Reserve System, and the Second District and broader community that the Committee could contact for stakeholder feedback. The Committee continued discussions on the number of references that would be contacted by each Committee member and the role that the Corporate Secretary's office would play with respect to documenting the feedback received by the Committee from the references.

The Committee then discussed the initial list of references for Mr. Williams and Mr. Strine that were provided prior to the meeting. A broad discussion ensued on the stakeholders, after which the Committee agreed on those to be contacted.

The meeting duly adjourned at 5:03 p.m.

Corporate Secretary

New York, July 30, 2020

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

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Gorman, Mr. Hutchins, Mr. Kennedy,
and Mr. Phillips
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Armstrong, Executive Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Ms. Dingman, Executive Vice President,
Ms. Dyson, Executive Vice President,
Mr. Gutt, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Executive Vice President,
Ms. Logan, Executive Vice President,
Ms. Mucciolo, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Singh, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Mr. Reilly, Senior Vice President,
Ms. Phillips, Senior Vice President
Corporate Secretary,
Mr. Wagner, Senior Vice President,
Mr. Lucca, Vice President, and
Mr. Nash, Officer and Assistant Corporate Secretary.

Ms. Barber, Senior Associate,
attended the meeting by invitation.

The minutes of the meeting of (1) the Joint Audit and Risk and Management and Budget Committee held February 27, 2020; (2) the Audit and Risk Committee held June 11, 2020; (3) the Board held June 11, 2020; (4) the Board held June 18, 2020; (5) the Board held June 25, 2020; (6) the Board held July 9, 2020; and (7) the Board Notational Vote on July 22, 2020, were submitted and approved by consent.

[redacted]

Mr. Strine, Ms. Dingman, Ms. Mucciolo, Mr. Reilly and Mr. Wagner presented the "Return to the Workplace Presentation" (#), which documented the proposed Return to Workplace Framework ("RTW Framework") used by the Bank for a phased return of its employees to the workplace. Mr. Strine began by stating that the RTW Framework is being led by the Return to the Workplace Subcommittee ("RTW-SC"), whose efforts are anchored to the Federal Reserve System Crisis Management Team's ("SCMT") focus areas and guiding principles. He noted that the SCMT's focus areas included employee health and safety, facility readiness, community guidance, and functional resilience. He then discussed the importance of responding to incidences that transcend the Bank's operating model, the favorable responses from a recent table-top exercise that was performed based on the pandemic, and the coordinated efforts that the Bank would continue to engage in at and across the System level for the pandemic.

Next, Mr. Williams stated that the situation governing a safe return to the workplace is highly fluid and the Bank must continue to be able to carry out its work in any given situation. As a result, he noted that the process for developing the RTW Framework was guided in part by three critical principles: (1) Resilience; (2) The state of conditions near the Bank; and (3) Dates and timelines set by the System. Mr. Williams stated that the Bank would take a careful and deliberate approach to returning employees to the workplace, and decisions to return will rely on information from external experts, employee working arrangements, and safety and community guidance. Mr. Williams then stated that some of the System's decisions would impact the RTW Framework, particularly on matters that involve employees traveling from one reserve district to another for work. He also added that notable engagement with the System would occur on certain decisions connected to national business lines that transcend individual reserve banks, and areas where vendor activity and compensation approaches are shared.

After Mr. Williams' remarks, Ms. Muciollo stated that the goals of the RTW-SC were to ensure the safety of on-site employees and the resiliency of the Bank's other employees. To accomplish these goals, she noted that the RTW-SC met daily since February 2020 to discuss and report on developments found from actively monitoring the pandemic. During the RTW-SC's meetings, she stated that work was done to develop ways to mitigate risks to the Bank and permit the broad sharing of information.

Mr. Reilly then discussed some of the key elements and processes of the RTW Framework, which was developed by the RTW-SC with individuals across the System, as well as external consultants. He noted that the RTW Framework leveraged a "Demand, Supply, and Constraints" model to consider who should, could, and would return to the office, which underpinned the prioritization methodology. He then noted that findings from the model and prioritization methodology helped the RTW-SC design and sequence the return to the workplace roadmap, which was also informed by employee responses to the people sentiment survey. Mr. Reilly stated that the constraints for returning to the workplace included internal and external factors, such as building limitations, school re-openings, essential services, and jurisdictional guidance. A discussion ensued on the distribution of individuals included in the categories of those who could, would, and should return to the workplace, and the rationale underpinning employee categorizations; the impact to working parents once schools reopen for their children and whether additional management capacity should be considered in light of these issues; and the additional modifications to the Bank that are being made to support return to workplace readiness.

Mr. Wagner then concluded the presentation by stating that the development of the RTW Framework took into account various considerations that may impact both the employees and the Bank, including employees' safety, childcare and elder care responsibilities, employees who may have compromised immune systems, and responses received from the recent employee sentiment survey. He added that, given the dynamic nature of the pandemic and uncertain environmental conditions, the Bank would use an adaptive and flexible return to the workplace roadmap in order to balance the commitments in the SCMT's guiding principles.

In their discussion on the RTW Framework, the Directors commended management for thinking through various scenarios as it attempts to return employees back to the workplace; encouraged the RTW-SC to remain nimble in its approach to returning employees back to work since developments are evolving quickly; described different situations of what the return to workplace experience may look like if a vaccine is available compared to if one is not; recommended that the RTW-SC continue to survey employees to obtain their sentiment on safety and their general attitude of returning to work; suggested that management continue to consider how childcare and the distribution of a vaccine may impact employee sentiment; suggested that the RTW-SC consider contact tracing technology applications being considered by New York State and other organizations; and noted that the RTW-SC must continue to be adaptable under the current circumstances and flexible with the employee experience in various areas, including when travel is required.

Ms. Logan, referring to a series of charts (#), discussed conditions in financial markets. With respect to broad financial market developments, she reported that financial conditions eased a bit amid fluctuations from COVID-19 and economic cross currents. Since the June 2020 Federal Open Market Committee ("FOMC") meeting, she reported that asset prices for equities rose, while Treasury yields declined, and the dollar weakened. She also reported that market functioning remained stable at significantly improved levels and activities in Section 13(3) facilities declined, although market participants understand that the facilities are an important back-stop for the market.

Next, Ms. Logan discussed cross currents affecting the economic outlook. She reported that some better than expected economic data for May and June 2020 emerged, but the nascent rebound has slowed over the last month amid a resurgence in COVID-19 cases. She also reported that results of a survey of primary dealers and market participants suggested a reduction in perceived tail risks to growth and declines in recession probabilities, though the recovery is not expected to be rapid.

With respect to equity markets, Ms. Logan stated that the S&P 500 was rising with little change, but diversion of performance exists. She reported that coronavirus-sensitive sectors and lower-credit-quality firms have underperformed the S&P 500 market index; compositional differences exist between capital markets and the economy; and contacts suggest that containment measures disproportionately hurt smaller businesses. A discussion followed on the divergence of performance within risk assets and the effects of COVID-19 on the underlying performance of large cap S&P 100 companies.

Ms. Logan also stated that the outcome of the FOMC's review of its framework, including, strategy, tools, and communications, is expected to conclude soon and is shaping expectations. She reported that most survey respondents expect some inflation targets to be adopted, forward guidance to be adopted in September 2020, and indicate that the Fed funds rate is now expected to rise in late 2023 to early 2024, but views are dispersed. With respect to asset purchases, Ms. Logan also reported that many expect the FOMC's communication to shift from market functioning towards policy accommodation. A discussion continued on market participants' expectations around the volume and pace of asset purchases through 2020 and 2021; the stability of market functioning across markets, including the credit market; and the decline in the size of the Federal Reserve System's balance sheet and how this shift in activity is viewed by some market contacts.

Ms. Logan closed by stating that, despite changes, markets remain fragile; some of the primary risks and areas of focus remain on the path of the coronavirus and the size of fiscal support; immediate risks that are present appear related to the national election and geo-political tensions; and the availability of Section 13(3) facilities has been extended through the end of 2020, while access to the FX and Foreign and International Monetary Authorities Repo Facility has been extended through March 2021. A discussion ensued regarding the connection between the U.S. Treasury's issuance of securities to fund operations and how those issuances could impact the System's purchases; concerns around long-term liquidity and expectations amongst the liquidity market in this regard; and the impact of fiscal stimulus on market-functioning.

Mr. Lucca, referring to a series of charts (#) entitled "U.S. Economic Conditions," provided an update on the Bank's outlook for the U.S. economy. The Directors received a report that real GDP decreased at an annual rate of 32.9% in the second quarter of 2020, due to responses to COVID-19, and projections for unemployment and inflation are mostly unchanged from previous estimates. He also added that additional fiscal stimulus would help grow GDP, but concerns around withdrawal could emerge.

Mr. Lucca next reported that traditional indicators pointed to significant rebounds in economic activity for May and June 2020; improved business activities, despites lags in personal consumption expenditures for services; and significant risks that may emerge in other areas of the economy. He also reported that durable/nondurable personal consumption expenditures in June 2020 were above their peak in January 2020, showing a v-shaped recovery. He then discussed the dichotomy in consumption activity for goods and non-durables in response to containment measures for the coronavirus.

Mr. Lucca then concluded by discussing the rise in total coronavirus infections, drivers of the resurgence, and impact on the economy. He stated that the two factors that must be focused on to understand the increase in active infections are the number of secondary cases of COVID-19 infections per infectious case, and past infection levels from the prior period. A discussion ensued regarding the change in COVID-19 infection rates relative to the behavior of the population; and sharp increases in coronavirus cases in rural areas and other states; and the quality of data used to track COVID-19 cases. Following discussion and at the request of a Director, Mr. Lucca agreed to provide data on economic activity for the service sectors subsequent to today's meeting.

In his management comments, Mr. Williams began by reporting that the FOMC's recent statements highlight that the path of the economy will depend significantly on the path of the coronavirus. He noted that we now have much more data related to the virus' impact to the economy, which suggest that, for the economy to return to full strength, the public must focus at the same time on measures that both contain and control the coronavirus and reopen economies in a safe and smart way, despite public discourse that one measure be focused on and not the other. Mr. Williams then noted that fiscal acts of Congress have been successful in helping people, households, and small businesses get through the economic challenges caused by responses to the coronavirus. As a result, he added that fiscal actions will be critical to holding the economy together, since the country could experience a considerably weakened economy if the impact and cases of the coronavirus continue to decrease but unemployment levels are not addressed. A discussion continued regarding the effectiveness and power of fiscal support and the turmoil that could emerge in the market if fiscal support is not received.

Following Mr. Williams' discussion, a Director reported on increased enrollment in New York State Medicaid programs, and concerns around New York State's ability to offset its $14 billion revenue shortfall due to the pandemic if financial assistance is not received from the federal government.

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

Whereupon, it was duly an unanimously

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

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

(a) Primary credit rate — 1/4 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 adjourned at 10:30 a.m.

Corporate Secretary

New York, August 13, 2020

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. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil, Mr. Mello,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Julie Remache, Senior Vice President,
Mr. Lucca, Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary, and
Mr. Nash, Officer and Assistant Corporate Secretary.

In their discussion, the Directors received a report that total nonfarm payroll employment rose by 1.8 million in July 2020, and the unemployment rate fell to 10.2%, reflecting some resumption of economic activity that had been curtailed due to the COVID-19 pandemic and efforts to contain it. In their discussion, the Directors reported on New York City and New York State hospitals' estimates of billions in lost revenue due to COVID-19 and growing concerns around laying off staff if fiscal support is not received; the commencement of surveys to help gauge conditions of small local businesses, the challenges faced by working parents and their employers as certain New York State schools are set to reopen with a hybrid method, and the threats of layoffs that may be made by New York State and its municipalities to close their revenue gaps if federal support is not received; concerns around gaps in New York State and New York City budgets, lost revenue for minority and women owned business enterprises, and increased cyber threats and attacks faced by Community Development Financial Institutions and the organizations that they serve; New York City's budget shortfalls that could result in the layoff of 22,000 employees by October 2020 if federal relief is not received, the challenges with reopening schools, and the estimates made by New York City organizations that around 26% of its workforce will return by the end of 2020 and 56% by July 2021; and the business community's acknowledgement that the current economic and workplace situation may persist until the middle of 2021 if a vaccine is not received, the return to work challenges faced by working parents and their employers since many schools may not reopen, and the strength of the initial public offering market, with many estimating that this trend may continue through the first quarter of 2021.

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

Whereupon, it was 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 — 1/4 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.

Meeting adjourned at 5:07 P.M.

Corporate Secretary

New York, August 17, 2020

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 3:00 p.m. this day.

PRESENT:

Mr. Mello, Chair,
Ms. Gil, Mr. Gorman, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Melendez, Assistant Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary,
Mr. Blok, Officer, and
Mr. Nash, Officer and Assistant
Corporate Secretary.

Ms. Collins, Senior Associate
attended the meeting by invitation.

The minutes of the meeting of the Management and Budget Committee held February 14, 2020 were submitted and approved by consent.

Mr. Strine presented the "FRBNY Second Quarter 2020 Quarterly Performance Report" (#   ), which was distributed to the Committee members prior to the meeting. He stated that management began the year with plans to execute on the three enterprise-wide strategic objectives of People, Tools, and Resiliency; however, the COVID-19 pandemic significantly shifted the Bank's operating environment in the later part of the first quarter. He noted that the shift drove the Bank to reprioritize its portfolio quickly, expand technology bandwidth, invest more time in standing-up Section 13(3) facilities, and expand outreach efforts with communities and advisory groups within the second district to inform decision-making along the way. Mr. Strine noted the rise in COVID-19 cases in the second quarter and the impact on Cash and Custody.

Mr. Strine also noted that the Bank evaluated and reprioritized other resources across the System and the Bank to support the Section 13(3) facilities. He reported that the Bank was able to move resources more nimbly and bolstered bandwidth to support telework, and advanced collaboration tools to support working remotely. He also reported that the Bank has not seen a material impact to doing its most critical work while working remotely, which further demonstrated the nimbleness and flexibility of the Bank's organizational structure. A discussion ensued regarding the current and future investments that the Bank may have to make in people and technology to support staff and the Section 13(3) facilities during the pandemic, and the work that the Bank is doing to support people through discussions of race and racism.

Next, Mr. Strine updated the Committee on the Bank's financials and capital projects in light of the pandemic. He reported that the Bank experienced a reduction in costs across a wide range of activities, reflecting a $9.7 million direct expense budget underrun through the second quarter. He noted that management is projecting a full-year direct expense budget overrun of $7.8 million due to an uptick in costs associated with the setup and run of Section 13(3) facilities, expanded employee benefits for extended leave, and changes to the discount rate. He also reported that management paused real estate and technology projects to focus on other critical measures put in place to respond to emerging issues caused by COVID-19. He then noted that, as the pandemic continues to shape both short-term needs and longer-term planning, the Bank would continue to refine forward-looking assumptions, adapt to changes in priorities, and assess new and ongoing budget risks.

Lastly, Mr. Strine updated the Committee on the changes to the Performance Summary for the second quarter. He stated that management used more of a narrative approach for the new report to reflect changes in the environment and reallocation of resources across the Bank. He noted that the three new sections in the Performance Summary are: (1) Lending Facility Operations & Impact, (2) the FRBNY Performance Dashboard (the "Dashboard"), and (3) a Summary of Financial Performance. He added that this would be the first time that the Dashboard is included in the Performance Summary, and that it reports on key operational metrics for each of the Bank's mission critical businesses. He welcomed the Committee's feedback on any changes that would be helpful going forward. A discussion followed on the Dashboard, including lessons learned, the current metrics' effectiveness at measuring performance, risk-events, and the importance of integrating Strategic Plan information and other critical elements into the Dashboard so that the Committee and the Audit & Risk Committee can have a comprehensive view of the Bank's performance and key risks. A brief discussion continued regarding management's approach for setting the Bank's budget in light of the uncertainty caused by the pandemic.

At this point, the Committee approved the submission of the Bank's performance evaluation to the Board of Directors.

The meeting duly adjourned at 3:22 p.m.

Corporate Secretary

New York, August 27, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:15 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Phillips,
Mr. Held, Executive Vice President & General Counsel
Ms. Dingman, Executive Vice President, Human Resources

Ms. Scott noted that President Williams, Mr. Held and Ms. Dingman had escalated to her a personnel matter. A discussion ensued.

The meeting duly adjourned at 5:00 p.m.

General Counsel

New York, August 31, 2020

An executive session of an Executive Committee of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 9:00 am this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil
Mr. Williams, President & Chief Executive Officer,
Mr. Held, Executive Vice President & General Counsel,
Ms. Dingman, Executive Vice President, Human Resources, and
Debevoise & Plimpton

Mr. Held informed the Committee that pursuant to the Board's instructions, Debevoise & Plimpton had been retained to assist the Board regarding a personnel matter. A discussion ensued, during which Debevoise & Plimpton provided legal advice to the Board.

The meeting duly adjourned at 10:00 am.

General Counsel

New York, September 8, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 6:00 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil, Ms. Friedman;
Mr. Hutchins and Mr. Phillips.
Mr. Williams, President & Chief Executive Officer, and
Mr. Held, Executive Vice President & General Counsel

The Directors discussed a personnel matter.

The meeting duly adjourned at 7:00 pm.

General Counsel

New York, September 10, 2020

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. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Gorman, Mr. Hutchins, Mr. Kennedy,
Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President and
General Counsel,
Ms. Logan, Executive Vice President,
Mr. Lucca, Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Nash, Officer and
Assistant Corporate Secretary.

Ms. Barber, Senior Associate, attended the meeting by invitation.

In their discussion, the Directors received a report that the staff's forecast for real GDP is approximately 28% for the third quarter of 2020, and the unemployment rate is now expected to decrease to 7.5% in the fourth quarter of 2020, down from July's projection of nearly 10%. In their discussion, the Directors reported on the many households that are in economic despair and need fiscal stimulus, despite the financial market's current strength; New York City's possible government employee layoffs, questions around closing its budget gaps, and business survival and other concerns raised by New York City restaurant owners, who are now permitted to open indoor dining up to 25% capacity; how growing activity among special purpose acquisition companies is helping the initial public offering market, and the possible emergence of a "tale of two economies" in 2021 as layoffs increase while other companies are growing financially; New York City's government employee layoff concerns, budget shortfalls, and considerable increase in the amount of its people who may be unable to pay September's rent; the United States' uncertain economic outlook, since consumer balance sheets are hurting, trade disputes are ongoing, and the financial markets are exhibiting imbalanced areas of growth and volatility; the economy's movement to a future state of recession, and the adverse economic consequences that may emerge as many businesses are permanently closing, bankruptcy filings are increasing, and major layoffs are continuing; and the additional funding that industries such as lodging and hospitality may need to fully recover over the next 120 days, but may be unable to obtain the funding from banks that are required by accounting rules and regulation to treat loans in a specific manner if unpaid.

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

Whereupon, it was 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 — 1/4 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 5:00 p.m.

Corporate Secretary

New York, September 21, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 5:00 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil, Mr. Hutchins, Ms. Friedman, and Mr. Phillips,
Mr. Williams, President & Chief Executive Officer,
Mr. Held, Executive Vice President & General Counsel,
Mr. Gutt, Executive Vice President,
Suzanne Elio, Vice President, and
Debevoise & Plimpton

The Directors discussed a personnel matter, during which Debevoise & Plimpton provided legal advice to the Board.

The meeting duly adjourned at 5:30 pm.

General Counsel

New York, September 22, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 7:30 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil, Mr. Hutchins, Ms. Friedman,
and Mr. Phillips, Mr. Kennedy,
Mr. Mello and Mr. Gorman
Mr. Williams, President & Chief Executive Officer,
Mr. Held, Executive Vice President & General Counsel,
Mr. Gutt, Executive Vice President,
Suzanne Elio, Vice President, and
Debevoise & Plimpton

The Directors discussed a personnel matter, during which Debevoise & Plimpton provided legal advice to the Board.

The meeting duly adjourned at 8:30 pm.

General Counsel

New York, September 24, 2020

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.

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman,
Mr. Gorman, Mr. Hutchins, Mr. Kennedy,
Mr. Mello, and Mr. Phillips
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Armstrong, Executive Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Ms. Dingman, Executive Vice President,
Ms. Dyson, Executive Vice President,
Mr. Gutt, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Executive Vice President,
Ms. Logan, Executive Vice President,
Ms. Mucciolo, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Singh, Executive Vice President,
Ms. Phillips, Senior Vice President
Corporate Secretary,
Mr. Lucca, Vice President, and
Mr. Nash, Officer and Assistant Corporate Secretary.

Ms. Barber, Senior Associate,
attended the meeting by invitation, and

Ms. Balassanian, Associate,
attended the meeting by invitation.

The minutes of the meetings of (1) The Executive Session of the Board held April 16, 2020; (2) the Board held July 30, 2020; (3) the Board held August 13, 2020;(4) Board Notational Vote on August 27, 2020; and (5) the Board held September 10, 2020, were submitted and approved by consent.

[redacted]

[redacted]

Ms. Logan, referring to a series of charts (#), discussed conditions in financial markets. With respect to broad financial market developments, she stated that financial conditions eased modestly as risk sentiment improved. She reported that asset prices are improving and approaching levels in 2019, but financial conditions are expected to tighten in the upcoming weeks amid renewed concerns around the spread of COVID-19 and the uncertainty around the issuance of a fiscal stimulus. She also noted that economic and health developments drove improvement in market performance, as highlighted by improvements in the Citi ESI (LHS) index. Despite improvements in the markets, she reported that market participants have decreased their expectations around GDP growth outcomes since July 2020. A discussion followed regarding monetary policy's impact to inflation and treasury yields.

Next, Ms. Logan stated that concerns are emerging regarding increased equity valuations. She reported that very large technology firms in the S&P 500 have market capitalizations that are rising, while the other 495 firms are experiencing declines in market capitalization by almost $1 trillion. She noted that some trading in the market is driving unreasonable risk taking, and contacts within the market have highlighted increases in single stock call options on shares of large technology firms.

Ms. Logan then stated that perceptions of the FOMC reaction function have shifted amid completion of the strategic review, and growing expectations have affected markets over recent months. She reported that respondents to a recent survey on expectations for inflation rates and unemployment rates showed that they expect higher inflation and lower unemployment compared to their expectations from eight weeks ago. A discussion followed regarding the drivers behind inflation expectations amongst market participants and how those expectations have been affected by the Federal Reserve Systems' new policy changes.

Ms. Logan concluded her presentation by stating that the September FOMC statement reinforced expectations that rates will remain at the lower bound for some time and asset purchases are expected to continue to foster more accommodative financial conditions. She reported that rate forward guidance linked to maximum employment and inflation is on track to moderately exceed two percent, according to the FOMC, and the Bank's trading desk will continue to run CMBS operations on a weekly basis, although not required by the FOMC. In the weeks ahead, Ms. Logan informed the Board that many investors are expecting a period of uncertainty within the markets before and after the 2020 Presidential Election, and other market concerns are connected to foreign policy. A discussion continued regarding the improvements in market functioning, modest growth in the Federal Reserve System's balance sheet since July 2020, and a positive risk sentiment that is being reinforced in the U.S. with respect to managing COVID-19 cases, given social distancing practices and the prospects for a vaccine.

Mr. Lucca, referring to a series of charts (#) entitled "U.S. Economic Conditions," provided an update of the Bank's outlook for the U.S.

economy. The Directors received a report that real GDP growth in the third quarter of 2020 is forecasted to be followed by a decrease in the fourth quarter, and total nonfarm payroll employment rose by 1.4 million in August 2020. He also added that the economic recovery is progressing more quickly than anticipated, the service sectors remains depressed, the labor market conditions improved, and inflation was growing in the summer months, but remains below 2%.

Mr. Lucca reported that the speedier economic recovery has caused many to revise real GDP projections from 14% to 29%. He noted that solid economic data in July and August 2020 were the main drivers for revising the near-term GDP forecasts, and phase four of the federal fiscal support was not assumed. He also noted that the outlook for 2021 is largely unchanged, and the services sector is forecasted to rebound once a safe and effective vaccine becomes available.

Next, Mr. Lucca reported that new confirmed COVID-19 cases declined from 65,000 in early July 2020 to 40,000 in September 2020, which was anticipated due to certain safety measures, despite distancing contributing to less of the decline than expected. He also reported that personal income is projected to drop in August 2020 once the $600 unemployment insurance payments expired. In addition, he reported that July 2020 personal consumption expenditures rose, August 2020 core retail sales were flat, and an uneven recovery is emerging that shows strong growth in goods and auto industries, but weak growth in services.

Mr. Lucca then discussed the economic rebound for business and residential investment. He reported that equipment investment is strong, but investment in business construction, especially drilling, oil, and gas activities, remains depressed. On the other hand, he reported that residential investment is experiencing a sharp recovery, but signs of financial distress in the housing market are emerging, although all households do not appear to be affected. He reported that mortgage originations are at record highs, but elevated delinquency rates have been observed. He also reported that, at professionally managed properties, NMHC data shows reduced fractions of rent paid on time, although most renters pay by month-end. A discussion followed regarding the number of households who claim to be unable to make their home payments; the intersection between reported delinquencies and forbearance claims; the motives behind why renters are not paying rent in full by its due date, but do so by month's end; and the uniqueness of this recession and its dramatic impacts on certain areas within the second district.

Mr. Lucca concluded his report by highlighting labor trends. He reported that, in August 2020, payroll employment rose by 1.4 million and household employment rose by 3.8 million. He noted that household employment for August 2020 declined more than payroll through April 2020. He also noted that jobs by industry are experiencing an uneven recovery, with retail trade recovering most jobs, while other sectors such as accommodation and food services and arts and entertainment have not. A discussion followed regarding the rebound in inflation over the summer and changes in core PCE inflation.

In his management comments, Mr. Williams began by discussing how to interpret the market's reaction to the FOMC's announcement of changes to its framework. First, he stated that, before the FOMC's announcement was made, there was a growing expectation within the market about inflation, which is why many of them may not have been surprised by the FOMC's announcement. He noted that market participants had questions around when rates may be raised and under what conditions. Mr. Williams then informed the Board that the FOMC's newly announced framework highlighted the FOMC's comfort with inflation levels rising to around 2%, while attempts are made to reduce unemployment levels, as long as signs of higher inflation and other risks to the FOMC's goals do not emerge. He noted that the new framework shows that the Federal Reserve System wants to see a strong labor market and it will not attempt to preemptively slow the economy unless data to support such efforts are received. He also added that the FOMC's announcement did affect market participants' expectations on how interests will move going forward.

Mr. Williams then concluded by noting that the FOMC's announcement has caused market participants to ask how the Federal Reserve System will achieve maximum employment in light of uncertainty around the issuance of fiscal policy and concerns around containing COVID-19. He noted that many are hopeful that an agreement will be reached regarding fiscal stimulus that can support the states, local governments, households, and small businesses, and, compared to other countries, the U.S. has been able to moderate social distancing and employ other tactics to balance containing the coronavirus. He noted that these efforts must continue to restore economic growth in certain parts of the country, and since sustainably containing the virus is very challenging, he added that it may be reasonable to expect confirmed COVID-19 cases to increase as the country attempts to reopen parts of the economy to resume certain activities.

In their discussion, the Directors reported on the active initial public offering market, the growing uncertainty around next year's economic outlook, and the significant economic issues that may emerge if fiscal support is not issued to those in need; the difficulty with identifying a clear trend or traction in the current economy, long-term challenges that New York City workforce housing may face, and economic risk in New Jersey that may emerge due to changes to the state's tax policy; the need to give more attention to the 200,000 Americans killed by the coronavirus, the perception that America's response to the pandemic appears worse than other developed nations, and the likelihood of a worsening of U.S. economic performance, which may require that less credit worthy borrowers have access to the Section 13(3) lending facilities; noticeable volatility in the financial markets, employers who anticipate a longer work from home posture since a vaccine may not be available soon, and the opportunities seized but noticeable risks and threats to performance faced by credit markets and banking institutions, particularly in the area of consumer credit defaults; how smaller banks are focusing on creatively supporting customers, obtaining quality loans, and managing liquidity amidst the changing economy; the threat that New York City employees may be furloughed unless fiscal support is received, the high unemployment levels being experienced by the entertainment and hospitality sectors, and the financial strain faced by the Metropolitan Transit Authority due to decreased ridership and revenues; the advertising sector's recovery and forecasted rebound in 2021, increased merchant charge-offs faced by credit card companies, and the improvement in the enterprise market since technology projects are being implemented and managed remotely; and the disparate composition of the economic recovery that may emerge without fiscal stimulus, growing concerns around evictions and foreclosures, and the increased philanthropic support that is helping non-profit organizations raise capital more quickly.

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

Whereupon, it was duly an unanimously

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

Advances to and discounts for depository institutions:

(a) Primary credit rate — 1/4 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 Messrs. Armstrong and Blackwood, Mses. Dingman and Dyson, Messrs. Gutt and Held, Mses. Hirtle, Logan, and Mucciolo, Messrs. Rosenberg, Singh, and Lucca, Nash, and Ms. Barber, and Ms. Balassanian left the meeting.

The meeting adjourned at 12:30 p.m.

Corporate Secretary

Executive Session – Board of Directors
September 24, 2020

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

In the first executive session, consisting of Class C and eligible Class B Directors, Mr. Williams and Ms. Phillips discussed Michael Strine's recent announcement of his intentions to retire from the Bank as First Vice President and Chief Operating Officer, effective February 28, 2021. The Directors discussed forming a search committee to oversee the search process on behalf of the Board. Whereupon it was duly and unanimously voted to (a) form a special search committee pursuant to Article I, Section 5 of the Bylaws comprised of directors Denise Scott, Rosa Gil, Vincent Alvarez, and Adena Friedman; and (b) designate Shawn Phillips, Corporate Secretary, to assist the search committee with the administrative process of the search. Mr. Williams and Ms. Phillips then noted that they would review potential search firms and return to the special committee with a recommended firm and an overview of the process that led to that recommendation.

Mr. Williams left the call, as did Mr. Hutchins and Mr. Phillips.

In the second executive session, Ms. Phillips informed the Directors about the current progress with the reappointment process. She reported that the completed materials containing the self, stakeholder, and Director assessments were distributed to the Directors and feedback had been incorporated. A brief discussion ensued.

Whereupon it was duly and unanimously

VOTED to approve the submission of the reappointment assessment materials to the Board of Governors.

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

Corporate Secretary

New York, October 1, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 5:00 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil, Mr. Hutchins, Ms. Friedman, and Mr. Gorman
Mr. Williams, President & Chief Executive Officer,
Mr. Held, Executive Vice President & General Counsel, and
Debevoise & Plimpton

The Directors discussed a personnel matter, during which Debevoise & Plimpton provided legal advice to the Board.

The meeting duly adjourned at 5:15 pm.

General Counsel

New York, October 8, 2020

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. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Hutchins, Mr. Kennedy,
Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Held, Executive Vice President and
General Counsel,
Ms. Logan, Executive Vice President,
Mr. Lucca, Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Nash, Officer and
Assistant Corporate Secretary.

Ms. Barber, Senior Associate, attended the meeting by invitation.

In their discussion, the Directors received a report that the staff's forecast for real GDP growth has been increased to approximately 34% for the third quarter of 2020, and total nonfarm payroll employment rose by 661,000 in September 2020, while employment in government declined, mainly in state and local government education. In their discussion, the Directors reported on the emergence of new areas of COVID-19 with a positivity rate above 1% in downstate New York for the first time in over a month, and the preparation that healthcare providers are taking in response; the lack of coordination of policies between the state and New York City that is being exposed by the recent emergence of COVID-19 hotspots throughout downstate New York, how a lack of fiscal stimulus is rattling employers and undermining confidence in the economy, and an increase of New Yorkers enrolling in Medicaid and "SNAP" benefits as evidence of the growing need for a fiscal stimulus; the factors affecting the initial public offering market, including announcements of more permanent layoffs and a lack of fiscal stimulus for states, and how New Jersey's proposed tax on financial transactions processed in the state has caused some exchanges to consider relocating their operations in New Jersey to other states; and the adverse effects that may be experienced by the housing sector as a result of uncertainty around fiscal stimulus, including a sharpening in rent collections and the expressions of lower appetite amongst the funding community for housing tax credits, which could lead to divestment in some communities.

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

Whereupon, it was 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 — 1/4 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 5:00 p.m.

Corporate Secretary

New York, October 15, 2020

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,
Ms. Gil, and Ms. Scott,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Mucciolo, Executive Vice President,
Mr. Singh, Executive Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary,
Ms. Melendez, Assistant Vice President,
Ms. Belokon, Officer, Financial Planning & Analysis, and
Mr. Nash, Officer and Assistant
Corporate Secretary.

The minutes of the meeting of the Management and Budget Committee held August 17, 2020 were submitted and approved by consent.

Mr. Mello opened the meeting by stating that he had previously discussed the Bank's Proposed Budget for 2021 ("the 2021 Budget") (#   ) with Mr. Strine and certain members of management on October 13, 2020, and noted that it lays out a good framework for the Bank's strategic direction, near-term priorities, and 2021 financial profile for the Bank. He also stated that the 2021 Budget appears to recognize that the coronavirus pandemic will be a primary driver of costs, uncertainty, and risk. In addition, he noted that the 2021 Budget's three-pronged approach highlights flexibility in managing costs associated with both the technology strategy and the standing-up of Section 13(3) facilities given the economic challenges caused by the pandemic.

Ms. Melendez stated that the coronavirus pandemic created many challenges within the Bank's operating environment for 2020 and drove the

Bank to temporarily pause a number of activities across the Bank in 2020. She noted that this resulted in large forecast reductions across the Bank that created capacity for the Bank to focus on critical work to support the economy and advance organization-wide objectives related to people, tools, and resiliency. Despite these changes, she reported that the Bank still anticipates that expenses will be within the 1% variance range for the budget of 2020, despite adjustments that were made to address increased expenses related to employee benefits.

Ms. Melendez then concluded by stating that the 2021 Budget reflects a gradual return to pre-pandemic spending levels; aligns with average historical performance, with a 4% growth rate in 2021 and 3.8% growth rate of the three-year period of 2020 through 2023; takes on a healthy amount of two-way risk; and remains within the Federal Reserve System's target range of 3.8% to 4.1%. She then discussed key highlights related to new priorities that will be advanced using the 2021 Budget; emerging environmental threats to executing on the 2021 Budget; and how the Bank will continue to handle shifting priorities and responsibilities amidst the uncertain environment anticipated in 2021. A discussion ensued regarding the costs and staffing needs that may be necessary within Markets and across the Bank to operate the Section 13(3) facilities if the external environment drives increased demand of them; the Bank's efforts to advance a new priority for equitable growth within the economy; and other areas of the Bank where financial stress may emerge as projects are implemented and programs are managed.

After further discussion, the Committee voted to endorse the Bank's proposed 2021 budget and submit to the full Board, recognizing the budget risks.

The meeting duly adjourned at 9:15 a.m.

Corporate Secretary

New York, October 22, 2020

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

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Mr. Hutchins, and
Mr. Kennedy, Mr. Mello,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Armstrong, Executive Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Ms. Dingman, Executive Vice President,
Ms. Dyson, Executive Vice President,
Mr. Gutt, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Executive Vice President,
Ms. Logan, Executive Vice President,
Ms. Mucciolo, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Singh, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Mr. Erickson, Senior Vice President,
Ms. Phillips, Senior Vice President
Corporate Secretary,
Mr. Lucca, Vice President,
Ms. Kramer Mills, Assistant Vice President,
Mr. Davis, Officer,
Mr. Franco, Officer, and
Mr. Nash, Officer and Assistant Corporate Secretary.

Ms. Barber, Senior Associate,
attended the meeting by invitation.

Ms. Balassanian, Associate,
attended the meeting by invitation.

The minutes of the meeting of (1) the Board held September 24, 2020; and (2) the Board held October 8, 2020, were submitted and approved by consent.

[redacted]

[redacted]

Mr. Strine, presented the Bank's Proposed Budget for 2021 (the "2021 Budget")(#), which was distributed to the Board in advance of the meeting and endorsed by the Management and Budget Committee. He began by stating that the Bank shifted its focus to mission-critical work to support the economy and maintain core operations once the COVID-19 pandemic started. He noted that this shift in focus resulted in reprioritizing planned and budgeted work, adjusting timeframes for executing plans, and exploring different scenarios to encourage the Bank's businesses to become more flexible with strategic planning, all of which facilitated adapting to the external environment's uncertainty.

Although work and spending levels shifted throughout 2020, Mr. Strine explained that the 2021 Budget reflects a gradual return to pre-pandemic spending levels, aligns with average historical performance, takes on a healthy amount of "two-way" risk, and remains within the System's target range of 3.8% to 4.1%. He then added that the 2021 Budget anticipates that the Bank will spend more money operating the Section 13(3) facilities; use "under-runs" to advance the Bank's People Strategy; and make data and technology projects a focus area in 2021. Despite these anticipated costs, he noted that the Bank feels comfortable with the 2021 Budget and is confident that it can execute on it with a 1% variance, recognizing that being agile and adaptable to changing circumstances will be critical. A discussion ensued regarding how the 2021 Budget addresses cost assumptions associated with the Bank's technology strategy and portfolio, employee travel and other Bank activities.

WHEREUPON, the Directors VOTED to approve the Bank's 2021 Budget as presented.

Mr. Erickson, Mr. Davis, Mr. Franco and Ms. Kramer Mills presented the Community Development Unit's (the "CDU") Strategic Plan (the "Plan") and Outreach Memorandum, both of which were distributed to the Directors in advance of the meeting. Mr. Erickson began by stating that the Plan seeks to achieve a distinct impact goal, details its core work, and explains the Bank's approach to implementing the Plan. He also noted that the Plan was the result of nine months of work, completed with external consultants, and organized around multi-disciplinary topics.

Mr. Erickson then stated that the impact goal aligned with the Bank's mission, vision, and values and seeks to enable economic mobility for low- and moderate-income people, especially those facing poverty or structural disparities related to race or ethnicity. He noted that this impact goal was created, in part, because spurring economic mobility helps reduce poverty and foster a better economic system for all. He stated that the CDU will elevate three groundbreaking ideas or approaches to achieve the impact goal over the next five years, and will educate, influence, and catalyze capital providers to invest in creating more opportunities for the targeted groups.

Mr. Erickson also highlighted that the CDU's focus is narrowly designed to address clearly defined issues that align with the impact goal.

He explained that the issues must have a significant impact on populations living in poverty, particularly communities of color, be able to drive impactful and patient capital from diverse investors, and meaningfully address issues of racial equity. He noted that the Bank and the CDU are distinctly positioned to secure the appropriate resources to address these issues and is working with financial institutions, community organizations, and local governments to encourage investment in areas of economic distress.

Mr. Franco then stated that serving as "capital connector" for the targeted communities is at the core of the Plan, and the work of the capital connector will help pay for the ground-breaking ideas. He explained that the goals of the capital connector are to educate, inspire, and catalyze. After briefly summarizing each goal relative to the Plan, he described the organizational structure that will govern the Plan's execution, noting that the CDU will be proactive, learning-oriented, and nimble; apply a racial equity lens; lead with research and data; and leverage the Bank's prominence and distinct role in finance within the second district to build relationships with investors such as managers of funds, corporations, and family offices. Mr. Franco then noted that the Plan's approach will include core outreach initiatives such as regional visits, engagement with small businesses, and meaningful interactions with President Williams' Advisory Groups. After further discussion, the Board thanked the CDU for the presentation and engaged management in a discussion regarding the metrics needed to measure the Plan's success, such as education, health, and access to jobs; capital sources and how they will be raised; policy tools that the Bank and System can use to support research and education; efforts from the Bank, System, and legislative bodies that may be most helpful; and the possible challenges with maintaining and growing the Plan's momentum over time.

Mr. Erickson, Mr. Davis, Mr. Franco and Ms. Kramer Mills left the meeting.

Ms. Logan, referring to a series of charts (#), discussed conditions in financial markets. She began by stating that key drivers included the spread of the coronavirus, which triggered targeted lockdowns by the U.S. and the United Kingdom, with the option for larger measures; diminishing expectations for a pre-election fiscal package, but the perceived probability of a larger fiscal package after the election grew; and the growing clarity around when U.S. presidential elections will be announced, which has helped ease uncertainty in the market. In addition, she reported that global equities performed higher, the value of the dollar experienced changes, and the yield sharpened since the last meeting of the Board on September 24, 2020.

Ms. Logan then stated that evolving probabilities around when the outcome of the U.S. Presidential election would be announced contributed to reductions in market uncertainty and asset volatility. Ms. Logan also stated that many continue to view the Bank's operations and facilities as a backstop to the financial markets in the event of heightened volatility. Given this, she reported that temporary and non-temporary liquidity swap lines remain well in place; usage of the Section 13(3) facilities remains steady, but relatively low given overall improvements in financial markets; and many market participants still believe that the Section 13(3) facilities will be extended passed their expiration date. A discussion ensued regarding the Section 13(3) facilities, including how their current usage compares to 2009, and the perceived market value associated with keeping them open and available, and extending some, such as the commercial paper funding facility, passed their expiration date.

Ms. Logan concluded her presentation by stating that contacts do not expect material policy action at the meeting of the Federal Open Market Committee (the "FOMC") in November 2020. She noted that many cite the U.S. Presidential election's proximity as influencing their expectations, while others cite the strong forward guidance that is in place, which many suggest will be influenced by the spread of the coronavirus and by fiscal policy. She also added that market expectations around asset purchases remain focused on the purchases' evolution, pace, and composition. A discussion followed regarding the value of having the Section 13(3) facilities in place despite relatively low usage; the key metrics that inform the System's policy decisions; and how policy actions, market participation, and accelerating pre-payment activity are affecting the mortgage market.

Mr. Lucca, referring to a series of charts (#) entitled "U.S. Economic Conditions," provided an update of the Bank's outlook for the U.S. economy. The Directors received a report that, for the third quarter of 2020, real GDP growth is approximately 34%, inflation rebounded, and recent data suggests an even faster economic recovery than forecasted. Mr. Lucca added that household and nonfinancial corporate leverage appear elevated, credit is being used to fortify liquidity positions, bankruptcy rates are lower than expected, and some reports suggest that some paycheck protection program loan recipients have used the proceeds to pay down debt.

Mr. Lucca then reported that the evolution of the labor market in the second district experienced a sharper decline in employment compared to the nation's other areas. He reported that most regions in the second district, especially downstate New York and Fairfield, Connecticut, were concerning, and New York City's job losses could be attributed to it being hit hardest by the pandemic and slowest to reopen its economy. With respect to industry decomposition of employment declines, he reported that employment in manufacturing, government, and finance fared similarly in the second district compared to the nation’s other areas.

Mr. Lucca concluded his report by highlighting that employment for economically vulnerable workers continued to lag; sectors that pay lower hourly wages experienced sharper payroll losses; and disproportionate job losses have emerged amongst less-educated workers, minorities and women. In addition, he reported that Hispanics experienced a slow rise in employment, after deep declines, but employment amongst Blacks is recovering more slowly, while employment amongst females ticked down and is likely a result of them shouldering the childcare burden caused by school closures. A discussion ensued regarding jobs, including when they would return at the national and regional levels and the quality of those that have returned thus far.

In his management comments, Mr. Williams stated that uncertainty continues to describe the current situation and fiscal policy is critical. He noted that severe economic effects may emerge and continue through 2021 and delays with returning to regular activities may persist without fiscal policy. Mr. Williams also noted that confidence in the economy and economic activity for restaurants would likely improve amongst consumers if a significant breakthrough for coronavirus vaccines and therapeutics occurs. He then informed the Board that the Bank and FOMC are using all available tools to support a strong economic recovery and are remaining flexible so that they can adapt accordingly.

In their discussion, the Directors reported on the economic uncertainty faced by many in New York City and New York State, and how it is affecting their lives and communities; the growing pipeline of initial public offerings, confidence amongst some investors due to the Bank’s support of the financial markets, and the growing activity of special purpose acquisition companies, including the increasing scrutiny of them by certain regulatory agencies; a recent report suggesting that the U.S. managed the COVID-19 pandemic worse than some other nations of similar wealth, the size of the fiscal stimulus package that some forecast will be needed to support the nation through the pandemic, and the performance of financial institutions during the pandemic, which was highlighted in a study issued by a regulator; concerns about healthcare and the emergence of an uneven economic recovery amongst those in lower paying jobs in hospitality and lodging compared to those of higher paying jobs in services and manufacturing; the uneven economic recovery, increasing amounts of cash being deposited at community banks, and the expectations amongst some community banks that depositors will put their money back to work in the economy when safe and effective COVID-19 therapeutics and vaccines become available; and the uneven economic recovery, how current data offers little clarity about its drivers, and the decreasing contributions to monthly rental payments amongst renters in government-subsidized housing, which could be concerning if this trend continues.

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:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 1/4 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 Messrs. Armstrong and Blackwood, Mses. Dingman and Dyson, Messrs. Gutt and Held, Mses. Hirtle, Logan, and Mucciolo, Messrs. Rosenberg, Singh, Stiroh, Lucca, Nash, and Ms. Barber left the meeting.

The meeting adjourned at 12:30 p.m.

Corporate Secretary

Executive Session – Board of Directors
October 22, 2020

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

In the first executive session, consisting of Class C and eligible Class B Directors, Mr. Williams and Ms. Phillips discussed the transition of Michael Strine's duties as First Vice President and Chief Operating Officer, given the recent announcement of his intentions to retire from the Bank, effective February 28, 2021. A discussion ensued.

Messrs. Kennedy, Mello, Williams left the call.

The second executive session was held with the special standing committee appointed to consider the reappointment of President Williams. In their discussion, the Directors discussed the process used by the committee to evaluate the performances of Mr. Williams, the results of the committee's evaluation process, and the recommendation of the committee to reappoint Mr. Williams as President for a new five-year term. A discussion ensued, after which the committee voted to reappoint John C. Williams as President of the Federal Reserve Bank of New York for a five-year term commencing on March 1, 2021, and ending on February 28, 2026.

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

Corporate Secretary

New York, October 27, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 5:00 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil, Mr. Hutchins, Ms. Friedman,
Mr. Kennedy, Mr. Mello and Mr. Gorman, and
Debevoise & Plimpton

The Directors discussed a personnel matter, during which Debevoise & Plimpton provided legal advice to the Board.

The meeting duly adjourned at 6:00 pm.

General Counsel

New York, November 5, 2020

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. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Mr. Gorman, Ms. Gil, Mr. Hutchins, Mr. Kennedy, and Mr. Mello,
Mr. Williams, President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Logan, Executive Vice President,
Ms. Mucciolo, Executive Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary, and
Mr. McCarthy, Vice President,
Mr. Nash, Officer and Assistant Corporate Secretary.

Ms. Barber, Senior Associate, attended the meeting by invitation.

In their discussion, the Directors received a report that real GDP is estimated to have grown at an annual rate of 33.1% in the third quarter of 2020, and consensus forecasts that the national unemployment rate will fall to 7.6% for October 2020. In their discussion, the Directors reported on the unabated activity of the initial public offering market and concerns that are being caused by increases in coronavirus cases and fiscal stimulus uncertainty; concerns around when the outcome of the U.S. Presidential election would be announced, and questions around how New York City and New York State, including its hospitals and non-profit organizations, may be affected if a fiscal stimulus is not received; the calmness of the global sales and trading markets, the development of merger and acquisition discussions as market predictability emerges, and questions around regulatory expectations given China’s suspension of listing the Ant Group’s initial public offering; increased market stress caused by a resurgence in coronavirus cases, the risk that more unpaid loans may be adversely classified by banks since deferrals under the CARES Act are set to expire, and findings from a recent survey of banks, which suggest that challenges in the economy may persist, banks may use less branches to conduct consumer banking, and more credit cards may be used to cover merchant transactions instead of cash; growing political, economic, and public health uncertainty, how a fiscal stimulus could benefit New York State and New York City, and the growing interest in avoiding large scale economic shut downs to manage health and safety needs amidst rising coronavirus cases; and concerns around the timing and size of a fiscal stimulus, declining rent rolls in the New York City housing market, the growing closures of Minority- and Women-owned Business Enterprises and other small businesses, the strength of corporate philanthropy, and the improved appetite amongst low income tax credit investors.

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

Whereupon, it was 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 — 1/4 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.

Ms. Phillips then presented a resolution to elect the Bank's alternative representative on the Federal Open Market Committee.

Whereupon, it was unanimously

VOTED to adopt the following:

"RESOLVED, that this Board does hereby vote to elect Helen Mucciolo, Acting First Vice President and Chief Operating Officer, to serve as an alternate on the Federal Open Market Committee in the absence of President John C. Williams for the period beginning on November 11, 2020, through the conclusion of the day immediately before the date of the first regularly scheduled meeting of the FOMC in 2021."

The meeting duly adjourned at 5:00 p.m.

Corporate Secretary

New York, November 5, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 5:00 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil, Ms. Friedman, Mr. Kennedy, Mr. Mello and Mr. Gorman
John Williams, President & Chief Executive Officer,
Michael Held, Executive Vice President & General Counsel, and
Debevoise & Plimpton

The Directors discussed a personnel matter, during which Debevoise & Plimpton provided legal advice to the Board.

The meeting duly adjourned at 5:30 pm.

General Counsel

New York, November 18, 2020

A meeting of the Nominating and Corporate Governance Committee of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference call at 10:00 a.m. this day.

PRESENT:

Ms. Scott, Chair,
Mr. Hutchins and Mr. Kennedy,
Mr. Williams, President,
Ms. Mucciolo, First Vice President
Mr. Held, Executive Vice President
and General Counsel,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Nash, Officer and Assistant Corporate Secretary.

The Committee discussed potential Class A Director candidates to succeed Mr. Mello, who will complete his term of service on the Board at the end of 2020, and potential Class B Director candidates, as Charles Phillips resigned from the Board in October 2020. Ms. Phillips then discussed the search process and selection criteria that was used to identify candidates to present to the Committee. After a discussion on the professional backgrounds of the candidates, the Committee agreed to recommend to the full Board the nomination of Thomas Murphy as a Class A Director, and review and discuss a diverse slate of Class B candidates at its next meeting.

Ms. Phillips also reviewed the process for the Board of Directors Annual Self-Assessment Survey (#). She informed the Committee that the survey would be offered in electronic format and that results of the survey would be discussed with the Committee and then the full Board. She then welcomed the Directors to share their suggestions on enhancing the process and a discussion ensued.

The meeting duly adjourned at 10:30 a.m.

Corporate Secretary

New York, November 19, 2020

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:00 p.m. this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Mr. Gorman, Ms. Gil, Mr. Kennedy, and Mr. Mello,
Mr. Williams, President,
Ms. Mucciolo, Acting First Vice President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Logan, Executive Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary, and
Mr. Lucca, Vice President,
Mr. Nash, Officer and Assistant Corporate Secretary.

Ms. Barber, Senior Associate, attended the meeting by invitation.

In their discussion, the Directors received a report that, for October 2020, the monthly growth rate in core retail sales (excluding gas and autos) was 0.2% below the 0.6% consensus, food services showed its first decline since May 2020, and existing home sales increased by 4.3%, but the economy’s growth may slow in either the fourth quarter of 2020 or the first quarter of 2021 amidst increasing COVID-19 cases. In their discussion, the Directors reported on the market stress being experienced by the retail and hospitality sectors, which may cause many businesses to fail unless fiscal or other relief are received; how businesses and communities in various areas of New York State currently classified as yellow precautionary zones are trying to adapt accordingly since classifications for their areas may change due to increased COVID-19 cases, positivity rates, and hospital admissions; how New York City school closures are causing economic uncertainty for businesses and working parents, and the continuous struggles that the entertainment sector may face as restrictions persist through the holiday season; and the growing need for fiscal support for many in the economy.

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

Whereupon, it was 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 — 1/4 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, Ms. Logan, and Mr. Lucca left the meeting, and Ms. Gil entered the meeting.

The meeting duly adjourned at 5:00 p.m.

Corporate Secretary

Executive Session – Board of Directors
November 19, 2020

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

In the first executive session, Mr. Williams and Ms. Phillips discussed director succession planning and the upcoming director elections and appointments, considering the current and emerging vacancies amongst Class A and Class B Directors. She noted that these matters had been previously discussed with the Nominating and Corporate Governance Committee on November 18, 2020. A discussion ensued regarding the potential candidates' professional experience and suitability, as well as the process that produced them as potential Director candidates.

Whereupon, it was duly and unanimously

VOTED to recommend to the Committee on Recommendation of Candidates for Directors of the Federal Reserve Bank of New York the nomination of Thomas J. Murphy as a Class A Director for the three-year term, beginning January 1, 2021; and

Ms. Phillips noted that she would come back to the Directors in December to discuss a diverse slate of candidates for the Class B vacancies.

In the second executive session, Ms. Phillips presented an overview of the Annual Self-Assessment Survey. She briefly summarized the process, noting that an electronic survey would be sent to the Directors in early December. A brief discussion ensued.

The meeting duly adjourned at 4:30 p.m.

Corporate Secretary

New York, November 19, 2020

An executive session of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held by means of a telephone conference at 4:30 pm this day.

PARTICIPANTS:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Gil, Ms. Friedman, Mr. Kennedy, Mr. Mello, Mr. Hutchins and Mr. Gorman
John Williams, President & Chief Executive Officer,
Michael Held, Executive Vice President & General Counsel, and
Debevoise & Plimpton

The Directors discussed a personnel matter, during which Debevoise & Plimpton provided legal advice to the Board.

The meeting duly adjourned at 5:00 pm.

General Counsel

New York, December 3, 2020

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.

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Gorman, Mr. Hutchins, Mr. Kennedy, and
Mr. Mello
Mr. Williams, President,
Ms. Mucciolo, Acting First Vice President,
Mr. Armstrong, Executive Vice President,
Mr. Blackwood, Executive Vice President
and General Auditor,
Ms. Dingman, Executive Vice President,
Ms. Dyson, Executive Vice President,
Mr. Gutt, Executive Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Hirtle, Executive Vice President,
Ms. Logan, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Singh, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Ms. Phillips, Senior Vice President
Corporate Secretary,
Mr. Lucca, Vice President, and
Mr. Nash, Officer and Assistant Corporate Secretary.

Ms. Barber, Senior Associate, attended the meeting by invitation.

Angela Balassanian, Associate, attended the meeting by invitation.

The minutes of the meeting of (1) the joint meeting of the Audit and Risk and Management and Budget Committee held on July 16, 2020, (2) the Audit and Risk Committee held September 24, 2020, (3) the Audit and Risk Committee held October 22, 2020, (4)the Board held October 22, 2020; (5) the Board held November 5, 2020; and (6) the Board held November 19, 2020, 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, 2020, 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, 2020 be declared on the paid-in capital of the Bank, payable on December 31, 2020 to stockholders shown on the books of the Bank at the close of business on December 31, 2020;

VOTED to adopt the following resolution to elect the Bank's representative on the Federal Open Market Committee (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 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 2021 through the conclusion of the day immediately before the date of the first regularly scheduled meeting of the FOMC in 2022, and does hereby vote to elect Helen Mucciolo, Acting First Vice President and Chief Operating Officer of the Federal Reserve Bank of New York, as an alternate to serve on the FOMC in the absence of President John C. Williams during the same period until a successor for the First Vice President role is appointed and assumes that role".

[redacted]

Ms. Logan, referring to a series of charts (#), discussed conditions in financial markets and provided an update on Section 13(3) facilities. With respect to the main drivers of financial market developments, she stated that markets have been buoyed by vaccine news, which outweighed the virus surge and stalled progress on fiscal stimulus negotiations. She reported that equities reached higher values; the S&P 500 and Russell 2000 reached all-time nominal highs, since some investors moved into equities and small cap stocks amidst easing in the markets; credit spreads tightened; treasury yields steepened; and the value of the dollar weakened. Ms. Logan then stated that four section 13(3) facilities have an expiry date of March 31, 2020; however, the remaining facilities will lose lending authority at the end of 2020, and the Federal Reserve System must return any unused funds that are in the Section 13(3) facilities after their expiration date, per the recent instruction of the Secretary of the U.S. Treasury. A discussion followed regarding the impact of the U.S. Secretary of the Treasury's instruction, including the facilities that may be affected and the general sentiment of financial market participants.

Ms. Logan then highlighted the results of a recent survey of market participants and the reaction to recent communications of the FOMC. She stated that expectations amongst market participants have risen for new guidance on asset purchases, but remain disperse on changes to their duration and pace, according to the responses received from a recent survey in November 2020 of primary dealers and market participants. She also reported that some respondents estimated a modest increase in the purchase pace of U.S. Treasuries and Mortgage-backed Securities ("MBS") over the next few years, while the median of those surveyed responded that purchases would maintain in U.S. Treasuries and MBS through the end of 2021, but slow in subsequent years. With respect to the reaction to the recent FOMC minutes, Ms. Logan highlighted that reaction with the markets has been minimal; investors are monitoring asset purchases, which they think may likely continue; and some anticipate that an extension of the composition of purchases will be less likely to change the thoughts of many market participants.

Ms. Logan concluded her report by noting that the Bank's balance sheet grew sharply and at a historic pace in early 2020, as a result of actions taken to support market functioning and the flow of credit, but the rate of growth has slowed as operations normalized and the usage of Section 13(3) facilities decreased. She noted that the purchase of U.S. Treasuries and agency MBS drove the increase in the size of the Bank's balance sheet. Ms. Logan reported that reserves in other banks grew the Bank's liabilities, funded operations, and grew to historic levels of around $3 trillion, which exceeded the Bank's peak in 2013. She also reported that the Bank's treasury general account and other liabilities have grown, but at a much smaller size than reserves. Ms. Logan added that the extent of future reserve growth will depend, in large part, on the path of purchases that the FOMC chooses and trajectory of the treasury general account. With respect to the overall implications to the market, she noted that some softness in money market rates could emerge as reserve growth continues and as factors that supported rates this year moderate or reverse; however, she noted that the Federal Reserve System has tools to ensure effective interest rate control to meet FOMC expectations.

Mr. Lucca, referring to a series of charts (#) entitled "U.S. Economic Conditions," provided an update of the Bank's outlook for the U.S. economy. The Directors received a report that real GDP growth is solid for the fourth quarter of 2020, while growth may slow, and unemployment remains steady in the first quarter of 2021. Mr. Lucca added that, compared to October 2020, GDP growth appeared stronger in the near term for the fourth quarter of 2020, but less so in the first quarter of 2021. He noted that this outlook was driven by stronger data in October 2020, which boosted activity for the fourth quarter; rising COVID-19 cases, which may weigh heavier on hard-hit service sectors; and notable unemployment lag since fiscal stimulus may not be issues by the first quarter of 2021.

Mr. Lucca then reported that unemployment is forecasted to be range-bound through the first quarter of 2021, while mid-2021 growth acceleration drives unemployment to 4.7% by the fourth quarter of 2021. With respect to inflation, he reported that less is implied in 2020, given the downward revision to summer core PCE inflation and flat reading for October 2020. Mr. Lucca also reported that the v-shaped recovery in capex and residential investment continued in October 2020, real personal consumption expenditures grew by 0.5% in October 2020, which is above consensus, and real personal income in October 2020 remained above February 2020 levels, but a drag is notable from waning unemployment insurance benefits. A discussion followed regarding the coronavirus, including the difficulty with forecasting its evolution in the upcoming months; how changes in temperature may affect its spread; the economic impact of governments' use of non-pharmaceutical interventions to manage its spread; and the expected growth rate in cases that may continue until vaccines become widely available. The Board and management then engaged in discussion regarding what economic outcomes may emerge depending on different responses by the federal government to managing the spread of the coronavirus; the likelihood of the forecasted unemployment rate and unemployment projections, given the closure of many small businesses during the pandemic; whether the digital economy can help enough with keeping people employed and help manage unemployment projections; and whether or not the second district's economic recovery will lag the national economic recovery until the pandemic ends.

In his management comments, Mr. Williams began by highlighting the notable amount of uncertainty in the economy, and how confidence amongst the public may be affected by the path of the coronavirus and the performance of various economic indicators. He added that the country can still achieve certain gross domestic product and unemployment rates despite the challenges it faces, but fiscal policy would greatly help in this regard, since it is critical and would help many in need at this time. Mr. Williams then concluded by noting that inflation is being monitored and no major signs have been noted at this time, despite the monetary policy tools that have been used so far to help the economy.

In their discussion, the Directors reported on the continued robustness of the new issuances market, the lowered sense of uncertainty in the financial markets since fiscal stimulus is expected, and the significant issues that may emerge in the markets if inadequate progress with COVID-19 vaccines occurs in 2021; the concerns and uncertainty in the lodging, retail, and real estate sectors, the great need for fiscal stimulus, the substantial amounts of cash on many bank balance sheets, and the many unique risk factors affecting New York City's economic recovery; the recent cryptocurrency rallies, COVID-19 vaccine developments regarding its effectiveness, safety, and durability, and the concerns around those who may receive it first; the questions being raised about the COVID-19 vaccines by some communities, and the treatment of patients off premises by some New York State hospitals and the lost revenue that they are experiencing under limited elective surgery activity; the elevated equity prices, uncertainties in communities about receiving a COVID-19 vaccine, current growth stock valuations that are driving some investors into value stocks, and the likelihood that the banking industry may experience more mergers and acquisition activity; growing cash deposits among business owners and consumers of varying socioeconomic positions, and growing forbearance risk if government lockdowns follow COVID-19 surges; requests to New York State officials that lockdowns be targeted, the persistent uncertainty in the economy, the significant need for fiscal stimulus, and the budgetary concerns that may be highlighted throughout New York City's upcoming elections; how the delayed fiscal stimulus is harming vulnerable households and producing mixed economic results, and the significant uptick in corporate and philanthropic support being experienced by community fundraisers.

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

Whereupon, it was duly an 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 — 1/4 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 Messrs. Armstrong and Blackwood, Mses. Dingman and Dyson, Messrs. Gutt and Held, Mses. Hirtle, and Logan, Messrs. Rosenberg, Singh, Stiroh, Lucca, Nash, and Ms. Barber left the meeting.

The meeting adjourned at 12:30 p.m.

Corporate Secretary

Executive Session – Board of Directors
December 3, 2020

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

In the first executive session, Mr. Williams discussed the reappointment process for the Bank’s Federal Advisory Council representative and recommended that René F. Jones, Chairman and Chief Executive Officer, M&T Bank, be reappointed as the bank’s representative on the Federal Advisory Committee. A discussion ensued.

Whereupon, the Directors

VOTED to select René F. Jones as the member of the Federal Advisory Council representing the Second Federal Reserve District for 2021.

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

Corporate Secretary

New York, December 17, 2020

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. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Mr. Gorman, Ms. Gil, Mr. Hutchins, and Mr. Mello,
Mr. Williams, President,
Ms. Mucciolo, Acting First Vice President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Logan, Executive Vice President,
Mr. Pesenti, Senior Vice President, and
Ms. Phillips, Senior Vice President and Corporate Secretary,
Mr. McCarthy, Vice President, and
Mr. Nash, Officer and Assistant Corporate Secretary.

Mr. Mehrota, Senior Economist, and Ms. Barber, Senior Associate, attended the meeting by invitation.

In their discussion, the Directors received a report that real GDP growth on an annual basis in the fourth quarter of 2020 is 3.75%, while growth in the first quarter of 2021 is estimated to be 1.25%. In their discussion, the Directors reported on the pride in upstate New York's involvement in coronavirus vaccine development and testing; New York City facing the possibility of not receiving fiscal support, experiencing increased joblessness amongst restaurants, food markets and food suppliers, and the New York State budget issues that are driving discussions around increasing various types of taxes; the many that are awaiting outcomes on recent research of whether current and upcoming coronavirus vaccines prevent the transmission of the coronavirus, the increased hospitalizations and coronavirus-related deaths faced by many hospitals, and the ongoing efforts to decrease the coronavirus vaccine fears and resistance within the African American and Latinx communities; how large changes in the value of large banks may impact irrational and rational investors; the outlook for initial public offerings, which remains healthy and may last through the first half of 2021 if the current activity persists, the current uncertainty going into 2021 that is keeping trading levels high, and the notable optimism around the availability of a COVID-19 vaccine amidst concerns around how the economy may perform in 2021 if the coronavirus vaccine efforts are unsuccessful; and the unevenness of the anticipated economic recovery, and why it should be monitored to ensure that support is available to those most in need.

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 — 1/4 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 9:57 a.m.

Corporate Secretary