

Community Depository Institutions Advisory Council
Discussion Questions
October 2, 2018 Meeting
Federal Reserve Bank of New York

1. Current Banking Conditions:

What is the Council's view of the current condition of, and the outlook for, loan markets and financial markets generally? Please describe any significant changes in the creditworthiness of applicants for loans, loan demand, and lending standards in general.

- a. **Small Business Lending:** Has credit availability for, and demand for credit from, small businesses changed significantly? Have lending standards for these borrowers changed?
- b. **Commercial Real Estate Lending:** Have there been any changes in the Council's view of challenges in the commercial real estate market since the last Council meeting in April? How are commercial real estate loans performing compared to the Council's expectations?
- c. **Construction Lending:** What is the Council's view of the availability of credit for construction and development projects? Have Council members seen any changes in the demand for construction loans since the last Council meeting in April?
- d. **Home Mortgage Lending:** What changes has the Council seen in the mortgage market since the last Council meeting in April? Is a trend developing among community banks to increase, decrease, or cease home mortgage originations, and if so, what are the likely causes for and effects of this trend?
- e. **Consumer Lending:** What changes have the Council members seen in consumer lending?
- f. **Agricultural Lending:** Have there been any changes in agricultural lending?
- g. **Deposits:** Have Council members seen any changes in local deposit markets?

2. Economic Discussion:

- a. **Overall Economic Conditions:** How do Council members assess overall economic conditions in their regions?

b. **Particular Indicators:**

- i. **Inflation:** Are the prices of products and services rising (or declining) more or less quickly than in the recent past? Are the prices for the products and services Council members purchase rising more or less quickly?
- ii. **Housing:** How have house prices changed in recent months? Have there been any changes in housing activity overall in Council members' regions?
- iii. **Labor Markets:** How have the labor markets in which Council members operate changed in recent months? In particular, assess the degree of job loss or gain (how much and in which industries). What changes to wages have Council members observed in the past year?
- iv. **Consumer Confidence:** Is the Council seeing signs of improved consumer confidence? What is the outlook for consumer credit losses?

3. Faster Payments: Over the past few years, the Federal Reserve and the payments industry have been focused on pursuing ubiquitous, safe, and faster (real-time) payment capabilities in the United States. The Federal Reserve and the industry have worked together on the Faster Payments Task Force and other efforts focused on governance, directories, and rules/standards. At the request of the industry, the Federal Reserve is also assessing possible operational roles, in particular enabling 24x7x365 settlement, to support faster payments in the United States. Given these past years of learning, how important strategically do you think faster (real-time) payment capabilities and related technologies are to your banks and the long-run evolution of the banking industry? How do you envision end users making use — now and over time — of such capabilities and technologies? Do you believe that the payments industry is advancing sufficiently in its adoption of faster payments and related services to end users?

4. Examination Practices: Have Council members experienced problems with recent examinations? In particular, have examination practices constrained access to credit by creditworthy borrowers? What steps can be taken to address the Council's concerns?

5. Regulatory Matters and the Future of Banking: How are recent changes in the regulatory landscape affecting the ability of community depository institutions to continue providing services to their customers? What has been the effect on the industry generally?

6. Additional Matters: Have any other matters affecting community depository institutions emerged from meetings of the Reserve Banks' advisory councils that Council members want to present at this time?