New York, July 11, 2019

A meeting of the Executive Committee 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, Mr. Lipkin, and Mr. Mello,
Mr. Strine, First President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Logan, Senior Vice President,
Mr. Peach, Senior Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary, and
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary.

In the absence of a quorum of the members of the Board of Directors, the Directors present unanimously requested that the Executive Committee meet pursuant to Section 1 of Article II of the Bylaws.

In their discussion, the Directors received a report that the staff's estimate for real GDP growth in the second quarter was revised higher to around 2.5% as incoming economic data have been better than expected over recent weeks. In their discussion, the Directors noted legislation that would help address funding issues faced by multiemployer pension plans; deposit challenges and the continued pressure on margins due to the flat yield curve; and anecdotal evidence of a rise in issues that are typically leading indicators of foreclosure.

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 — 3 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 4:42 p.m.

Corporate Secretary

New York, August 1, 2019

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 9:00 a.m. this day.

PRESENT:

Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Hutchins, Mr. Lipkin, and Mr. Phillips,
Mr. Williams, President,
Mr. Strine, First Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

Ms. Scott, Chair, and Mr. Mello attended the meeting by telephone conference call.

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

Whereupon, it was duly

VOTED to decrease the existing rates in effect at this Bank by one quarter of a percent, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 3/4 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 Mr. Miu left the meeting.

Corporate Secretary

Executive Session - Board of Directors
August 1, 2019

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

Mr. Williams discussed the search and selection process for the Bank’s Chief Human Resources Officer. A discussion ensued.

Whereupon it was duly and unanimously

VOTED to appoint Lacey Woodsmall Dingman as Executive Vice President in charge of the Bank’s Human Resources Group, effective September 16, 2019.

The meeting duly adjourned at 9:13 a.m.

Corporate Secretary

New York, August 12, 2019

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 1:00 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. Miller, Senior Vice President,
Ms. Melendez, Assistant Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary,
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary,
Mr. Blok, Officer, and
Ms. Collins, Associate.

The minutes of the meeting of Management and Budget Committee held February 14, 2019, were submitted and approved by consent.

The revised Charter for the Management and Budget Committee was submitted and approved by consent.

Mr. Strine presented the "FRBNY Performance Report Q2 2019" (#). He explained that the report is a quarterly performance self-assessment that Bank management uses to assess its performance against planned strategic initiatives, capital projects, and the budget/resource plan for the year. Mr. Strine informed the Committee that management is focused on several key aspects of the Bank's operating model and strategy including capacity planning for strategic project management, particularly for large, cross-Bank initiatives with stakeholder dependencies such as Fedwire. This includes better prioritization of work and acknowledging the associated trade-offs and considering alternative execution scenarios and risks and building those into assumptions and dependency management approaches. Mr. Strine also discussed continued work on developing a new Bank Vision and Strategy and Human Capital Strategy that will require the adoption of an enterprise mindset and the associated approaches and behaviors at all levels. [redacted] Lastly, Mr. Strine highlighted a few items not in the prepared report, such as the after action review of the April Fedwire outage and the associated technology assessment, which will be completed by the end of September, as well as some recent personnel departures. A discussion ensued.

The meeting duly adjourned at 1:28 p.m.

Corporate Secretary

New York, August 15, 2019

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, and Mr. Lipkin,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President and General Counsel,
Ms. Nordstrom, Senior Vice President,
Mr. Peach, Senior Vice President, and
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary.

In their discussion, the Directors received a report that the staff's estimate for real GDP growth in the third quarter was revised higher to around 2.0% at an annual rate from 1.8% as incoming economic data have been, on balance, stronger than expected over recent weeks. In their discussion, the Directors noted recent market volatility introduced adding uncertainty to retirement security for those that have increasingly shifted retirement savings into 401(k) plans; a robust pipeline for initial public equity offerings despite recent market volatility; recently approved increases in health insurance premiums, which largely reflect higher hospital and drug costs; pressure faced by small- and medium-sized banks as net interest margins compress due to further competition for deposits and the flattening yield curve; and concern that the shifting tone and policies towards immigrants may increasingly push more low income households into the shadow economy.

Mr. Miu 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 — 2 3/4 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 4:57 p.m.

Corporate Secretary

New York, September 5, 2019

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. Lipkin, Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Strine, First President,
Mr. Held, Executive Vice President and General Counsel,
Mr. Peach, Senior Vice President,
Ms. Remache, Senior Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary, and
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary.

Ms. Mehra, Vice President, Federal Reserve Bank of Kansas City, attended the meeting by invitation.

In their discussion, the Directors received a report that the staff's estimate for real GDP growth in the third quarter was unchanged at around 2.0% at an annual rate, supported by consumer spending. In their discussion, the Directors noted a recent report on New York City union membership that highlights that public sector union membership remains strong despite concerns that it could fall after a recent Supreme Court decision; a continuing robust pipeline for initial public equity offerings; the low level of interest rates supporting debt issuance; concerns over exchange-traded funds and the potential divergence between their value and the underlying assets; and concern with a proposal to raise the reporting threshold under the Home Mortgage Disclosure Act, which could reduce the availability of data on lending to low- and moderate-income households.

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 — 2 3/4 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 4:52 p.m.

Corporate Secretary

New York, September 5, 2019

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 4:04 p.m. this day.

PRESENT:

Ms. Scott, Chair,
Ms. Gil and Mr. Lipkin,
Mr. Williams, President,
Mr. Strine, First Vice President
Mr. Held, Executive Vice President
and General Counsel,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

The minutes of the meetings of the Nominating and Corporate Governance Committee held August 2, 2018 were submitted and approved by consent.

The Management and Budget Committee Charter was submitted and approved by consent.

Mr. Held discussed the Bank’s recusal process. He explained that there was no current action item, but a potential issue going forward. Mr. Held reported that a Director represented an institution which may be a viable bidder on a large technology project run by the Bank. He explained that from a statutory and Bank policy perspective an action may be required if the institution represented by this Director bids on the project. However, the appearance of a conflict of interest warrants caution. As such, Mr. Held recommended that this Director recuse themselves from discussions regarding this project. He discussed other potential additional steps that could be taken going forward and a discussion ensued.

The Committee discussed potential Class A Director candidates to succeed Mr. Lipkin, who will leave the Board at the end of 2019. In addition, the Committee discussed potential Class B candidates, as Adena Friedman will have completed her term at the end of the year. The committee agreed to recommend to the full Board the nomination of Douglas Kennedy as a Class A Director and Adena Friedman as a Class B Director.

Ms. Phillips reviewed the Board of Directors Annual Self-Assessment (#). She informed the Committee that the survey was conducted through one-on-one conference calls with each Director and covered meeting agenda items, Director responsibility and engagement, and meeting logistics. Ms. Phillips summarized some of the key recommendations, which included providing more presentations with a regional or thematic focus, providing Directors with discussion questions and materials in advance of meetings to facilitate more dialogue, providing more time for ARC and Board meetings as needed, and if unnecessary, removing some executive sessions from the agenda. She noted that the assessment will go to the full Board of Directors in December. A discussion ensued.

The meeting duly adjourned at 4:28 p.m.

Corporate Secretary

New York, September 19, 2019

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:40 a.m. this day.

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Gorman, Mr. Hutchins, and Mr. Mello,
Mr. Williams, President,
Mr. Strine, First 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. Mucciolo, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Mr. Armstrong, Senior Vice President,
Mr. Haughwout, Senior Vice President,
Ms. Logan, Senior Vice President,
Mr. Testa, Senior Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Lucca, Assistant Vice President, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

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

Mr. Erickson, Senior Vice President, attended a portion of the meeting by invitation.

The minutes of the meeting of (1) the Nominating and Corporate Governance Committee held August 2, 2018; (2) the Management and Budget Committee held February 14, 2019; (3) the Audit and Risk Committee held June 20, 2019; (4) the Board held June 20, 2019; (5) the Board Notational Vote held June 27, 2019; (6) the Board held July 11, 2019; (7) the Board Notational Vote held July 25, 2019; (8) the Board held August 1, 2019; (9) the Audit and Risk Committee held August 1, 2019; (10) the Board held August

15, 2019; (11) the Board Notational Vote held August 29, 2019; and (12) the Board held September 5, 2019, were submitted and approved by consent.

The Directors, by consent, having received and reviewed changes to the Bank's Management and Budget Committee Charter,

VOTED to adopt the changes in the form submitted to them (#).

[redacted]

Mr. Williams introduced Ms. Dingman, the Bank's new Executive Vice President of Human Resources, and Mr. Erickson, the Bank's new Senior Vice President and Head of Outreach and Education, to the Board of Directors.

Mr. Erickson exited the meeting.

Mr. Lucca, referring to a series of charts (#) entitled "U.S. Macro Overview," provided an update of the Bank's outlook for the U.S. economy. He reported that the staff's estimate for real GDP growth in the second half of 2019 was revised higher to 1.9% due to better consumption data, while the 2020 forecast was revised higher to 2.0% due to the passing of the Bipartisan Budget Act, which implies additional fiscal stimulus. Mr. Lucca highlighted that real PCE in the third quarter has been particularly strong, supported by continued strength in real disposable income. Payroll employment was also reported as still robust, though it has slowed, but remains consistent with an unemployment rate stable at historically low levels. Mr. Lucca highlighted the divergence between the expansion indicated by the ISM services index and the contraction in the ISM manufacturing index. Mr. Lucca noted that two factors have weighed on U.S. economic sentiment – the slowdown in global economic activity, particularly in manufacturing, and trade policy uncertainty. Mr. Lucca also highlighted that the housing market has been a bright spot, with a decline in mortgage rates supporting housing activity. Lastly, he highlighted that core PCE has increased to 1.7%, but remain below the 2% target. A discussion ensued on data revisions, the housing market, drivers of inflation, and the strength of consumer confidence.

Ms. Logan, referring to a series of charts (#   ), discussed conditions in financial markets. She began by noting that the intervening period could be divided into two: the July FOMC meeting to September 3, a period of sharp declines in rates and risk assets, and since September 3 when yields rose and risk sentiment improved. Shifts in the overall global growth outlook, trade policy, and shifts in the value of foreign debt were the three key drivers of U.S. Treasury yields over both periods. Due to these factors, market participants' expectations for the path of the policy rate shifted lower over the period, and ahead of the September meeting, market participants widely expected a 25 basis point cut in the policy rate. Ms. Logan then turned to money market developments, highlighting notable developments on the monetary policy normalization framework this year, including the announcement of the decision to operate in an ample reserves regime in January, the decision to slow the reduction in holdings of U.S. Treasury securities in March, and the move forward of the conclusion of the reduction of the portfolio in July. Finally, Ms. Logan noted that upward pressure had recently emerged in funding markets as corporate tax payments and the settlement of Treasury securities increased demand for securities financing and sharply reduced reserves in the system. She explained that consistent with the directive from the FOMC, the Federal Reserve responded with temporary open market operations to foster conditions that would maintain the federal funds rate within the target range. A discussion ensued, focusing on the drivers of the recent money market volatility and the Federal Reserve's response.

In his management comments, Mr. Williams discussed the economic outlook. He reported that the outlook remains generally quite good though there are signs of deceleration. Exports, manufacturing and business fixed investment have showed signs of slowing, in part due to uncertainty over tariffs and trade policy. In addition, global growth is also slowing, with manufacturing data showing signs of weakness around the world. Moreover, inflation remains below target in the U.S. and has come down in some other major economies. Mr. Williams noted that the FOMC's monetary policy stance should be supportive of the U.S. economy and should keep the economy on stable footing despite these headwinds. A discussion ensued.

In their discussion, Directors reported that some companies that acquire and analyze large data sets have found that consumer credit quality is beginning to meaningfully deteriorate; the discrepancy between the uncertainty over trade policy and global growth while U.S. equity indices remain near all-time highs; recent California legislation on the status of independent workers could affect New York; there was a robust pipeline of initial public offerings, which has begun to extend into next year; small business activity appears to be slowing down; and cyber security is a growing concern among Community Development Financial Institutions.

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

Whereupon, it was duly and unanimously

VOTED to decrease the existing rates in effect at this Bank by one quarter of a percent, as follows:

Advances to and discounts for depository institutions:

(a) Primary credit rate — 2 1/2 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 Mr. Blackwood, Mses. Dingman and Dyson, Mr. Gutt, Ms. Mucciolo, Messrs. Rosenberg, Stiroh, and Haughwout, Ms. Logan, Messrs. Testa, Lucca, and Miu, and Ms. Barber left the meeting.

Corporate Secretary

Executive Session - Board of Directors
September 19, 2019

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

Mr. Williams and Ms. Phillips presented an update on director succession planning and the upcoming director elections and appointments, noting that this matter had been previously discussed with the Nominating and Corporate Governance Committee. The Directors discussed potential Class A Director candidates to succeed Mr. Lipkin, who will leave the Board at the end of 2019.

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 Douglas L. Kennedy as a Class A Director for the three year term beginning January 1, 2020.

Ms. Friedman exited the meeting.

The Directors discussed the upcoming Class B election for the three-year period ending December 31, 2022.

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 Adena T. Friedman as a Class B Director for a full term beginning January 1, 2020.

Mses. Scott and Gil exited the meeting, and Ms. Friedman reentered the meeting.

The Directors then discussed the upcoming Class C appointment, and the Board's Chair and Deputy Chair appointments.

Whereupon, it was duly and unanimously

VOTED to recommend to the Board of Governors the appointment of Denise Scott for another term as a Class C Director, and

VOTED to recommend to the Board of Governors the appointment of Denise Scott as Chair and Rosa Gil as Deputy Chair for 2020.

Mses. Scott and Gil reentered the meeting.

Mr. Williams and Ms. Phillips then discussed the Directors Self-Assessment results. They explained that that the survey was conducted through one-on-one conference calls with each Director and covered meeting agenda items, Director responsibility and engagement, and meeting logistics. Ms. Phillips summarized some of the key recommendations, which included providing more presentations with a regional or thematic focus, providing Directors with discussion questions and materials in advance of meetings to facilitate more dialogue, providing more time for ARC and Board meetings as needed, and if unnecessary, removing some executive sessions from the agenda. A discussion ensued.

The meeting duly adjourned at 12:31 p.m.

Corporate Secretary

New York, October 3, 2019

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,
Ms. Friedman, Ms. Gil, Mr. Gorman,
Mr. Hutchins, Mr. Lipkin,
and Mr. Mello,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Logan, Senior Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary,
Mr. Lucca, Assistant Vice President, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that the staff's estimate for real GDP growth in the third quarter of 2019 was revised lower by 0.5 percentage points to below 2.0% due to weaker-than-expected August data on the household sector. In their discussion, the Directors noted a recent shift in sentiment in the market for initial public offerings; a recent report on health benefits, which highlighted that healthcare costs have been increasing faster than both wages and inflation over the past decade; the risk that equity market declines due to global economic and geopolitical uncertainty could negatively impact consumer sentiment and consumption; a recent conference on the behavior of inflation and the implications for policy; and a new initiative to address the social determinants of health in underserved communities.

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

Whereupon, one Director

VOTED to decrease the existing rates in effect at this Bank by one quarter of a percent, and

Whereupon, six Directors

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 — 2 1/2 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 4:58 p.m.

Corporate Secretary

New York, October 9, 2019

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. Armstrong, Senior Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary,
Ms. Melendez, Assistant Vice President,
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary,
Mr. Blok, Officer, and
Ms. Belokon, Financial Planning and Analysis Manager.

The minutes of the meeting of the Management and Budget Committee held August 12, 2019 were submitted and approved by consent.

Mr. Mello opened the meeting by stating that he had discussed the strategic objectives for the Bank's 3-year plan with Mr. Strine, and noted the overview of the plan, which contains a budget growth rate that remains below System target top-line growth expectations in the Executive Summary. In addition, Mr. Mello highlighted some risks to the budget, such as those related to TITAN and the Fedwire after-action review.

Mr. Strine reported on the Bank objectives for 2020 to 2022, which were the outcome of the environmental scan and subsequent stages of the annual planning and budgeting cycle. As part of the strategic planning process, several key enterprise risks were identified, including inadequate management of dependencies on internal service providers, the inability to advance and adapt capabilities and services in order to effectively respond to environmental changes, and the inability to evolve and sustain an agile and adaptable workforce able to advance the Bank's current and future objectives. As a result, Mr. Strine highlighted the following areas of focus requiring a heightened level of attention and investment in the near term: efforts to enhance program, performance, and change management practices in order to ensure successful execution of large, cross-Bank programs; a human capital strategy to maximize the workforce so the Bank can execute today and thrive in a rapidly changing and uncertain future; a technology strategy that will define the future state technology organization and operational model, address top technology capability gaps, optimize the technology portfolio, and transform the talent base; and investment in its capacity to anticipate, prepare for, and adapt to changing conditions and withstand and recover from disruptions.

Mr. Strine then reported that the Bank's budget growth in 2020 over the 2019 forecast was 3.1%, which includes a very recent adjustment due to the resources and expenses associated with the Federal Reserve System's real time payment initiative, and 3.4% over a 3-year planning horizon. This compares to 2.7% and 3.2% as indicated in the materials provided to Committee members, but remains below the System target of 3.8-4.0%. Mr. Strine noted that the budget growth is aligned with historical performance and takes on a healthy amount of two-way risk.

Mr. Strine concluded his discussion of the budget by making some remarks on the level of uncertainty within both the Direct Expense and Capital budgets, due to the timing of major decisions impacting the Financial Services, Supervision, and Markets Groups. These risks will be monitored on an ongoing basis and will be revisited in the Off-Cycle Review to redeploy and prioritize resources, as needed.

After a discussion, the Committee voted to endorse the Bank's proposed 2020 budget and submit it to the full Board, recognizing the budget risks.

Mr. Armstrong then presented an update on the Financial Services Group (#). He provided an update on the Wholesale Product Office and some of the Financial Service Strategies including payment system innovation, product enhancement, increased resiliency and security, and improved technology. He explained how these four pillars of the strategy align with ongoing work such as same-day ACH payments, Fednow, and the implementation of findings following the after action review of the April 1 Fedwire Funds outage. A discussion ensued.

The meeting duly adjourned at 3:45 p.m.

Corporate Secretary

New York, October 17, 2019

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:40 a.m. this day.

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil,
Mr. Hutchins, Mr. Lipkin, Mr. Phillips, and
Mr. Mello,
Mr. Williams, President,
Mr. Strine, First 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. Mucciolo, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Armstrong, Senior Vice President,
Mr. Haughwout, Senior Vice President,
Ms. Logan, Senior Vice President,
Mr. Peach, Senior Vice President,
Mr. Testa, Senior Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

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

The minutes of the meeting of (1) the Management and Budget Committee held August 12, 2019; and (2) the Board held October 3, 2019, were submitted and approved by consent.

[redacted]

[redacted]

Mr. Mello, Chair of the Management and Budget Committee, reported that the Committee had a telephone conference call the previous week, and had discussed the 2020 Budget and the Financial Services Group's readjustment of strategy and priorities, based in part on the system's real-time payment work. The Committee also discussed a recent Fedwire Outage and the associated After Action Review.

Mr. Strine presented the 2020 Budget (#) and 2020 Compensation (#). Mr. Strine reported that the Bank is currently projecting a 2020 budget of $1.066 billion, representing growth of 2.7% in 2020 and 3.2% over the three-year period from 2017-2020, below the System target of 3.8-4.0%. For 2019, the Bank experienced a budget underrun primarily due to a reduction in post-retirement benefits and fluctuations in National IT costs, as efforts to improve capital and staffing projections have been largely successful. He reported that the budget is aligned with historical performance and takes on two-way risk – with equal chance of going over or under the budgeted amount. Mr. Strine expressed confidence with the budget plan and said the Bank aims to execute to it within a +/- 1% variance. He also highlighted uncertainty within both the Direct Expense and Capital budgets due to the timing of major decisions impacting the Financial Services, Supervision, and Markets Groups. Along with other budget risks, he reported that the budget will continue to be updated through the final budget submission in November. A discussion ensued on the growth rate of the Bank's budget and how it compares to other Reserve Banks and the factors driving the budget.

WHEREUPON, the Directors VOTED to approve the Bank's proposed 2020 budget and 2020 compensation programs, and Ms. Scott noted that in approving the budget, the Board is aware of the highlighted budget risks.

Ms. Scally presented Trends in Homeownership to the Board. She explained that homeownership has historically been an important means for household wealth accumulation. Further, she noted that homeownership rates experienced a profound boom and bust cycle in the last 25 years, and are now near their long-run average. However, Ms. Scally highlighted that there is a huge amount of heterogeneity in homeownership levels and trends by race, with whites having much higher homeownership rates than Blacks and Hispanics. Recently, this has further diverged as white and Hispanic homeownership rates have been rebounding, while Black homeownership rates are continuing to decline past historical lows. Ms. Scally reported that tighter underwriting, labor market dynamics, and student loan burdens that disproportionately affect Blacks are factors that help explain the heterogeneity, despite Blacks having a stronger preference towards owning. This heterogeneity can aggravate wealth inequality by race. A discussion ensued on the relationship of regulations, education, and unionization to the heterogeneity in homeownership; avenues of further research; and how to utilize this research.

Mr. Peach, referring to a series of charts (#   ) entitled "U.S. Macro Overview," provided an update of the Bank's outlook for the U.S. economy. He reported that the staff's estimate for real GDP growth in the second half of 2019 was revised lower by 0.4 percentage points to 1.5% due to weaker-than-expected housing and manufacturing data, while the estimate for unemployment and inflation were very little changed. Mr. Peach noted that in the second quarter real exports declined leading to an accumulation of inventory which is now being worked down and weighing on manufacturing activity. Next, he showed that households are in a relatively strong position, with a high savings rate providing a cushion to any unexpected income volatility and low levels of financial obligations. Mr. Peach reported that the lowest quartile of earners are experiencing the fastest pace of wage growth, with almost a full percentage point gap compared to other quartiles. However, he also showed that housing costs are the highest for the lowest earners after taxes. Finally, he noted that the strongest indicator of a potential recession is the inverted yield curve, but he noted that another indicator which has historically moved in line with this measure has diverged. A discussion ensued on the factors driving the downward revision of growth.

Ms. Logan, referring to a series of charts (#   ), discussed conditions in financial markets. She began by discussing the increase in sovereign debt yields and equity indices and the narrowing in credit spreads since early October, which were due to an improvement in sentiment related to developments around trade and the United Kingdom’s exit from the European Union. In addition, Ms. Logan noted that financial markets have priced in approximately one more rate cut in 2019. She then showed a chart of the Secured Overnight Financing Rate (SOFR) and the Effective Federal Funds Rate (EFFR), which experienced exceptional spikes in mid-September. Ms. Logan reported that both rates had come down significantly since the introduction of temporary open market operations, and the EFFR had remained within the target range except on one day. She discussed the findings of market outreach, which continued to focus on the September corporate tax date and the settlement of U.S. Treasury securities as the main drivers of the money market volatility. Ms. Logan noted that both overnight and term repo operations had been offered daily and twice weekly, respectively, and that most operations thus far have not been fully subscribed. Moreover, the FOMC has directed the Desk to conduct repo operations at least through January 2020 and to purchase Treasury bills at least into the second quarter of 2020 in order to maintain ample reserve balances at or above the level that prevailed in early September 2019. A discussion ensued on open market operations and the drivers of money market volatility in September.

In his management comments, Mr. Williams discussed the outlook for the U.S. economy. He discussed three major trends impacting the U.S. outlook, including slowing global growth, geopolitical and trade-related tensions, and inflation. Mr. Williams highlighted that monetary policy has acted to cushion the U.S. economy from many of these factors, which emanate from the international or political side and are more difficult to forecast.

In their discussion, Directors reported that many regional and community banks will see net interest margins compress in the current low rate environment and with an inverted yield curve; capital spending among major financial infrastructures remains robust given the need to keep pace with the fast changing nature of technology; some key elements of a proposed agreement between a major auto workers union and an auto company, including a shortened path to permanent employment for temporary workers, a series of wage increases over the next few years, and maintenance of existing health insurance; wage increases are being offset by rising insurance premiums and drug prices; businesses are being impacted significantly by the changing economic and political relationship between U.S. and China; the growth of private equity and its impact on asset valuations; and that local governments and community development organizations are discussing working more closely together on strategies for the prevention and recovery of opioid addiction.

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

Whereupon, two Directors

VOTED to decrease the existing rates in effect at this Bank by one quarter of a percent, and

Whereupon, six Directors

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 — 2 1/2 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 Mr. Blackwood, Mses. Dingman and Dyson, Messrs. Gutt and Held, Ms. Mucciolo, Messrs. Rosenberg, Armstrong, and Haughwout, Ms. Logan, Messrs. Peach, Testa, Lucca, and Miu, and Mses. Barber and Scally left the meeting.

Corporate Secretary

Executive Session - Board of Directors
October 17, 2019

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

Messrs. Williams and Strine presented an update on the search to fill open Executive Vice President positions. A discussion ensued.

Mses. Scott and Gil informed the Directors that they will be attending the Conference of Chairs meetings at the Board of Governors in mid-November. They provided a brief overview, and then asked the Directors for their views on the economic conditions they are experiencing or consider to be of note in the Second District, or any other topics they would like to be highlighted during the Conference. A discussion ensued.

The meeting duly adjourned at 12:36 p.m.

Corporate Secretary

New York, October 31, 2019

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, Mr. Gorman, Mr. Hutchins,
Mr. Lipkin, Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Logan, Senior Vice President,
Mr. Lucca, Assistant Vice President, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

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

In their discussion, the Directors received a report that real GDP growth in the third quarter of 2019 was 1.9%, better than the expected 1.6% based on surveys. The Directors reported on the potential impact of the change in forbearance practices of a major student loan provider; that markets will remain focused on developments with regard to U.S. – China trade negotiations and the lead up to U.S. presidential primary elections; the negative impact of lower rates on senior citizens and other savers; that lower rates are being reflected in bank funding costs; and that concern over the impact of the United Kingdom’s exit from the European Union has faded for now.

Mr. Miu then presented the schedule of rates in effect at this Bank.

Whereupon, it was duly and unanimously

VOTED to decrease the existing rates in effect at this Bank by one quarter of a percent, as follows:

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

(a) Primary credit rate — 2 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 10:00 a.m.

Corporate Secretary

New York, November 21, 2019

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. Gil, Mr. Hutchins,
Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Held, Executive Vice President
and General Counsel,
Ms. Logan, Senior Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary,
Mr. Lucca, Assistant Vice President, and
Mr. Miu, Assistant Vice President and
Assistant Corporate Secretary.

In their discussion, the Directors received a report that the staff's forecast for real GDP growth in the fourth quarter of 2019 was lowered to just below 1% due to ongoing weakness in business spending and manufacturing. In the discussion, the Directors reported on the implications of the 2020 national census for New York, including the fiscal and political impacts; that employees' contributions to insurance premiums and deductibles outpaced the growth in median incomes over the past decade; concerns in continental Europe over the growth impact from uncertainty related to the United Kingdom's exit from the European Union; that healthcare costs as a share of GDP may be stabilizing; and discussed highlights from a Conference of Chairs of Board of Directors within the Federal Reserve System, including discussions on governance, diversity and inclusion, and affordable housing.

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 — 2 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 4:49 p.m.

Corporate Secretary

New York, December 5, 2019

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. Gil, Mr. Lipkin,
Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Strine, First Vice President,
Mr. Held, Executive Vice President and
General Counsel,
Ms. Logan, Senior Vice President,
Ms. Phillips, Senior Vice President and
Corporate Secretary
Mr. Lucca, Assistant Vice President, and
Mr. Miu, Assistant Vice President 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 in the fourth quarter of 2019 was revised higher by 0.75 percentage points to 1.8% due to a larger-than-expected narrowing of the trade deficit and an increase in core capital goods shipments. Directors reported that a major federation of unions has expressed concern about the enforceability of labor standards in the proposed trade agreement between major North American countries.

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:

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

(a) Primary credit rate — 2 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 4:44 p.m.

Corporate Secretary

New York, December 12, 2019

A meeting of the Board of Directors of the FEDERAL RESERVE BANK OF NEW YORK was held at its office at 10:30 a.m. this day.

PRESENT:

Ms. Scott, Chair,
Mr. Alvarez, Ms. Friedman, Ms. Gil, Mr. Gorman, Mr. Hutchins, Mr. Lipkin, Mr. Mello, and Mr. Phillips,
Mr. Williams, President,
Mr. Strine, First 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,
Ms. Hirtle, Executive Vice President,
Ms. Mucciolo, Executive Vice President,
Mr. Rosenberg, Executive Vice President,
Mr. Stiroh, Executive Vice President,
Mr. Armstrong, Senior Vice President,
Mr. Cavanagh, Senior Vice President,
Ms. Logan, Senior Vice President,
Mr. Testa, Senior Vice President,
Ms. Phillips, Senior Vice President and Corporate Secretary,
Mr. Lucca, Assistant Vice President, and
Mr. Miu, Assistant Vice President and Assistant Corporate Secretary.

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

Mr. Jones, Chairman and Chief Executive Officer, M&T Bank and Federal Reserve Bank of New York's Federal Advisory Council Representative, attended a portion of the meeting by invitation.

The minutes of the meeting of (1) the Audit and Risk Committee held September 19, 2019; (2) the Board held September 19, 2019; (3) the Board held October 31, 2019; (4) the Board Notational Vote held November 7, 2019; (5) the Board held November 21, 2019; and (6) the Board held December 5, 2019, 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, 2019, 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, 2019 be declared on the paid-in capital of the Bank, payable on December 31, 2019 to stockholders shown on the books of the Bank at the close of business on December 31, 2019;

VOTED to adopt the following resolution to elect the Bank's representative on the Federal Open Market Committee (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 Federal Open Market Committee ("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 2020 through the conclusion of the day immediately before the date of the first regularly scheduled meeting of the FOMC in 2021, and does hereby vote to elect Michael Strine, First Vice President of the Federal Reserve Bank of New York, to serve during the same period as an alternate on the Federal Open Market Committee in the absence of President John C. Williams".

[redacted]

Mr. Jones provided an overview of the Federal Advisory Council (Council) and its meetings. He explained that the Council is composed of twelve representatives of the banking industry and consults with and advises the Board on all matters within the Board's jurisdiction. The Council meets four times a year, the minimum number set by the Federal Reserve Act, and he represents the second district. Mr. Jones said he attended his first meeting in February 2019, and that the members discussed five to eight topics of interest to the Federal Reserve and the banking industry at each meeting, beginning with an overview of current macroeconomic conditions and developments within the loan market. Specifically, in September 2019, the Council highlighted to the Board of Governors the increasing uncertainty regarding trade with China and the slowing global economy, which has increased volatility in financial markets. They also highlighted that the flat yield curve has increased competition for loans across all sectors. In addition, at the September 2019 meeting, he reported that other topics included emerging risks such as geopolitical uncertainty, corporate debt, and cybersecurity; the growth, risks, and public policy issues associated with student loans; cryptocurrencies and other alternative currencies; challenges to banks and bank customers as the end of Libor nears; criteria for identifying systemically risky financial activity; employment and inflation dynamics; and the current stance of monetary policy and risks to shifts in the policy rate. A discussion ensued.

Mr. Lucca, referring to a series of charts (#) entitled "U.S. Macro Overview," provided an update on the Bank's outlook for the U.S. economy. He reported that the staff's forecast for real GDP growth in the second half of 2019 was revised higher by 0.5 percentage points to 2.0%; core Personal Consumption Expenditure (PCE) inflation was revised lower by 0.3 percentage points over the same period; and the forecast for unemployment was little changed. Mr. Lucca noted that in recent months, economic activity has been supported by the consumer, given strong income and labor market strength. However, despite the strength of consumption, Mr. Lucca reported that it remains below what is expected based on past relationships with the growth income and other factors. He also highlighted that across demographic breakdowns, labor market indicators have been strong relative to recent history. Despite the strength in the labor market and earnings growth, Mr. Lucca showed that core PCE inflation was muted. He remarked that the manufacturing sector was still contracting, and that the non-manufacturing indicators have also decelerated. A discussion ensued on the drivers of the growth outlook.

Ms. Logan, referring to a series of charts (#), discussed recent financial market conditions, developments, and policy expectations. She noted that recent financial market developments have been supported by signs of stabilization in the U.S. and global economies and perceptions that the FOMC will not increase policy rates soon. In addition, the evolving trade outlook remains a primary driver of financial markets, with most market participants not expecting an increase in tariffs that are currently scheduled to take effect on December 15. She also reported that the market-implied path of policy rates indicates about 25 basis points of reductions in the target range next year.

Ms. Logan then reviewed the drivers of the mid-September 2019 money market volatility during which the effective federal funds rate printed above the target range for one day. She also reviewed the operational response that the Federal Reserve used to maintain the federal funds rate in the target range. She then highlighted that the FOMC decided in October 2019 to reaffirm its policy implementation in the ample reserve regime, begin reserve management purchases of Treasury bills, and to continue with overnight and term repurchase agreement operations through at least January 2020. Ms. Logan reported that transitory pressure on money market rates around year-end is typical, but more advanced funding over year end relative to prior years and the desk's year-end spanning operations may help mitigate such pressures. A discussion ensued about drivers of September 2019's money market volatility and the Federal Reserve's operational response.

In his management comments, Mr. Williams acknowledged the recent passing of former president of the Bank, Paul Volker, and his many contributions to the institution and the Federal Reserve System. In addition, he acknowledged and thanked Mr. Lipkin for his service to the Bank, as this was his last meeting as a Director. Mr. Williams also discussed the potential for money market volatility around year end and noted that Bank staff was monitoring it closely. He provided an overview of the overnight and term repo operations that had been announced and noted that the objective of these operations is to keep the effective federal funds rate within the target range set by the FOMC. In addition, he reported that the economy and monetary policy were in a good state, but that the FOMC remained data dependent and could adjust its stance as necessary.

Mr. Jones exited the meeting.

In their discussion, Directors reported on a compression of net interest margins experienced by small banks that is leading to an easing of lending terms, notably for auto loans; a rise in death rates in the United States, particularly among people in their prime between age 25 and 64; the endorsement of a major trade agreement between North American countries by a major federation of unions after improvements were made with regard to the enforceability of labor standards; a moderation in initial public offerings, particularly from the technology sector; key risks in financial markets, including the U.K. election, reference rate transition, and heightened uncertainty related to liquidity management; and concerns for regional and community banks including local demographic trends, net interest margin compression, and the cost of and ability to integrate new business technologies.

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 — 2 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 Mr. Blackwood, Mses. Dingman and Dyson, Mr. Gutt, Mses. Hirtle and Mucciolo, Messrs. Rosenberg, Stiroh, and Armstrong, Ms. Logan, Messrs. Cavanagh, Testa, Lucca, and Miu, and Ms. Barber left the meeting.

Corporate Secretary

Executive Session - Board of Directors
December 12, 2019

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 to 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 2020.

In the second executive session, Messrs. Williams and Strine and Ms. Dingman discussed the search and selection processes for three Executive Vice President openings. A discussion ensued.

Whereupon it was duly and unanimously

VOTED to appoint Christopher Armstrong as Executive Vice President and Head of the Financial Services Group effective January 1, 2020; Lorie Logan as Executive Vice President and Manager of the System Open Market Account, effective January 1, 2020; and Daleep Singh as Executive Vice President and Head of the Markets Group effective February 16, 2020.

The meeting duly adjourned at 12:20 p.m.

Corporate Secretary