

Community Depository Institutions Advisory Council
Discussion Questions
October 24, 2024 Meeting
Federal Reserve Bank of New York

1 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 home prices changed in recent months? Have there been any changes in overall housing activity in Council members' Districts?*
 - iii. **Labor Markets:** *How have the labor markets in which Council members operate changed in recent months? In particular, please assess the degree of job loss or gain (and, in which industries). Please comment on the changes to wages that Council members have observed over the past year.*
 - iv. **Consumer Confidence:** *Are Council members seeing any signs of improved (or declining) consumer confidence? What is the outlook for consumer credit losses?*

2. Current Banking Conditions: *What is the Council's view of the current condition of, and the outlook for, loan markets and financial markets in general? Please describe any significant changes in the creditworthiness of applicants for loans, loan demand, underwriting, 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? Do Council members see evidence that prevailing economic uncertainty is slowing economic activity in this sector?*

- 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 Council's last meeting in April 2024? How are commercial real estate loans performing compared to the Council's expectations?*

- c. **Construction Lending:** *What are Council members' perspectives on the availability of credit for construction and development projects? Have Council members seen any changes in the demand for construction loans since the Council's April 2024 meeting?*
 - d. **Home Mortgage Lending:** *What changes have Council members seen in the mortgage market? How, if at all, is regulation impacting the participation of community depository institutions in this market?*
 - e. **Consumer Lending:** *What changes have Council members seen in consumer lending? Please comment specifically on credit card and auto.*
 - f. **Agricultural Lending:** *Have there been any changes in agricultural lending?*
 - g. **Deposits:** *What changes have Council members seen in local deposit markets? Describe these changes by segment (retail, small business, and corporate). What are Council members' expectations with respect to deposit levels?*
 - h. **Mergers and Acquisitions Activity:** *What trends are Council members observing with respect to mergers and acquisitions among depository institutions and their holding companies?*
- 3. Discount Window:** *What changes do Council members recommend to improve the operational efficiency of the discount window for community depository institutions (e.g., documentation setup, collateral pledging (including prepositioning of collateral), borrowing)?*
- a. *Does your institution use Discount Window Direct¹ (DWD)? Why or why not? Should DWD be improved or expanded and, if so, how?*
 - b. *Are there operational features of other funding structures and regimes community depository institutions use (e.g., Federal Home Loan Bank (FHLB) advances) that Council members would recommend the discount window adopt? Are there any other opportunities for greater operational efficiency (e.g., better aligning the eligibility and valuation of collateral for discount window loans and FHLB advances)?*

¹ For information on DWD, refer to the Discount Window and Payment System Risk public website, [DWD_20240624 \(frbdiscountwindow.org\)](https://www.frbdiscountwindow.org).

- c. *What messages, guidance, and/or direction are examiners giving to community depository institutions with respect to discount window use (e.g., pre-positioning of collateral, periodic testing, other aspects of readiness)?*
- 4. Examination Practices:** *What has been the experience of Council members in recent examinations? Have you seen examination practices impact the flow of credit? How can supervisors improve their communications (both formal and informal) with supervised institutions?*
- 5. Regulatory and Payments Matters:** *How are recent changes in the regulatory and payments landscape affecting the ability of community depository institutions to innovate as well as continue providing services to their customers?*
- 6. Additional Matters:** *Do Council members wish to present any other matters affecting community depository institutions that have emerged from meetings of the Reserve Banks' advisory councils?*