

Community Depository Institutions Advisory Council
Discussion Questions
October 7, 2021 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, 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 the pandemic/Delta variant 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 2021? 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 last meeting in April 2021?*
- 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 lending.*
 - 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 segments (retail, small business, and corporate). What are Council members' expectations with respect to deposit levels?*
3. **Emerging Opportunities and Challenges for Community Banks:** *Community banks have played a unique and an important role during the pandemic. What have we learned about the comparative advantages of community banks? In the Council's view, what are the most promising opportunities for community banks to grow and innovate to better serve their customers and communities? How should community banks pivot to take advantage of these opportunities? What are the primary barriers, and how do Council members recommend those barriers can be reduced or eliminated? What can the Federal Reserve do to help?*
 4. **Examination Practices:** *Have Council members experienced problems with recent examinations? Have examination practices contributed to constrained access to credit by creditworthy borrowers? What steps can be taken to address the Council's concerns? In particular, how would the Council recommend re-balancing on-site and off-site bank examinations in light of the pandemic-related shift in the mix of these two approaches? Considering both the quality and quantity of communication and information flow, is something lost when exams are conducted remotely?*
 5. **Regulatory Matters:** *How are recent changes in the regulatory landscape affecting the ability of community depository institutions to continue providing services to their customers? In particular, please comment on the impact of the community bank leverage ratio, developments related to CRA, and upcoming changes in the payments space (e.g., proposed amendments to Regulations II and J, and account access guidelines) and provide any insights and observations on the Paycheck Protection Program.*
 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?*