

**Meeting Between Board Members, Staff of the Federal Reserve System,
and the Community Depository Institutions Advisory Council (CDIAC)
November 16, 2023**

Participants: Chair Jerome H. Powell, Vice Chair Philip N. Jefferson, Governor Michelle W. Bowman, William Bassett, Kevin Bertsch, Jennifer Burns, Karen Caplan, Juan Climent, Elena Falcettoni, Jennifer Gallagher, Trevor Gaskins, Michael Gibson, Christine Graham, Candace Herring, Jasper Hoek, Jane Ihrig, Angela Knight-Davis, Amy Koontz, Ann Misback, Dania Palosky, Brian Phillips, Wanda Quick, Nancy Riley, Katie Ross-Foster, Andrew Ruben, Paula Scharf, Meaghan Shkreli, Jacquelyn Smith, Joshua Smolevitz, and Dafina Stewart (Federal Reserve Board); Carmen Panacopoulos (Federal Reserve Bank of Boston); Joseph Budash (Federal Reserve Bank of Philadelphia); Guhan Venkatu (Federal Reserve Bank of Cleveland); Sean O'Hara (Federal Reserve Bank of Richmond); Tracy Croom (Federal Reserve Bank of Atlanta); Patrick Driscoll (Federal Reserve Bank of Chicago); Kathleen Navin (Federal Reserve Bank of St. Louis); Karmi Mattson (Federal Reserve Bank of Minneapolis); Ryan Harwell (Federal Reserve Bank of Kansas City); Donald Bowers (Federal Reserve Bank of Dallas); Susan Findlater, Stephen DeLay, and Susan Rolnicki (Federal Reserve Bank of San Francisco)

Jeane M. Vidoni (Penn Community Bank); Chuck Sulerzyski (Peoples Bank); Daniel P. Berry (Duke University Federal Credit Union); Dylan S. Clarkson (Pioneer Bank & Trust); Tyler K. Clinch (First Community Bank of East Tennessee); Luanne Cundiff (First State Bank of St. Charles); Kim DeVore (Jonah Bank of Wyoming); Tracy Harris (National Bank & Trust); Kent A. Liechty (First Bank of Berne); Janet Silveria (Community Bank of Santa Maria); Kathryn G. Underwood (Ledyard National Bank); James S. Vaccaro (Manasquan Bank); Sayee Srinivsan and Robert Davis (CDIAC advisers)

Summary: Chair Powell, Vice Chair Jefferson, Governor Bowman, and staff of the Federal Reserve System met with the CDIAC, an advisory group established by the Board to provide input on the economy, lending conditions, and other issues of interest to community depository institutions (CDIs). During the meeting, the CDIAC shared its views on the Board's notice of proposed rulemaking on Regulation II (proposal). CDIAC members expressed concerns about the proposal's potential impact on CDI business models, including direct and indirect impacts on fee revenues, implications for lending, and incentivization for growing institutions to merge. CDIAC members cited studies suggesting pricing benefits for merchants' customers may not have materialized since the imposition of interchange fees and recommended the Federal Reserve repropose the proposal with a revised cost-benefit analysis.

The full Record of Meeting is available at:

<https://www.federalreserve.gov/aboutthefed/files/CDIAC-meeting-20231116.pdf>. The viewpoints expressed above and in the Record of Meeting are solely those of the CDIAC.