



Mutual Alert

AMB meets with Federal Reserve Bank of Philadelphia Senior Staff. Federal Reserve Board Announces The Members Of Its Community Depository Institutions Advisory Council (CDIAC).

AMBs campaign to secure more recognition for mutual banks in Washington continues with the recent addition of two new members to the Federal Reserve Board's CDIAC, one of whom is Gilda M. Nogueira, President and Chief Executive officer of East Cambridge Savings Bank, Cambridge, Mass., a mutual holding company without minority stockholders. She will serve as Vice President of the CDIAC. The Council is selected from members of each regional Federal Reserve Bank advisory council. Presently it has 12 members with three credit unions and one other thrift represented.

This last Wednesday, myself and Dan Weitzel, met with the senior staff of the Federal Reserve Bank of Philadelphia to discuss applications processing, data collection and supervisory experiences. Over a dozen line staff were in attendance to participate in what was a very informative and productive meeting. Only two other outside firms were represented. The agenda was established to give the Fed staff a better understanding of concerns attorneys have in interfacing with the Philadelphia Federal Reserve Bank and how to improve the communication between both parties.

Philadelphia Fed Senior Vice President Bill Spaniel who recently joined the Bank from the Reserve Board's Washington Staff and Vice President Rob Tillman who heads applications processing led the discussion. They spoke to their desire to facilitate the handling of applications and supervisory matters with community banks and improve the overall experience. Rob Tillman gave a presentation on applications processing and explained the internal processes for handling various types of applications. I addressed the recent addition to the Fed's responsibilities in handling mutual holding companies and how important it is to access the correct data for mutual banks. Assistant V.P. Chris Henderson addressed the Fed's extensive data collection capabilities and acknowledged that the Philadelphia Fed could and would do more to capture and define mutual and MHC data for peer comparison and analysis. I also addressed what I termed the "elephant in the room" the absence of any discernable effort by any federal agency to develop alternative capital sources for mutual banks. In response to a staff comment that the relatively high capital ratios of the mutual banks may be why no priority has been given to finding alternative capital, I stated that those levels are adequate to survive but not thrive. There was also a discussion on returning the various approval authorities to the Regional Banks. Since the

beginning of the crisis much had been recalled effectively to Washington DC by the Board . It was agreed this would lessen processing delays.

In sum, the meeting which took on a roundtable format addressed numerous issues of interest to mutual banks and our presence assured that the staff appreciated the mutual bank point of view.