



**MINUTES OF
AMERICA'S MUTUAL BANKS
NOVEMBER 20, 2017 MEETING**

Chairman Boulier called the meeting to order at 1:00 pm ET. The following institutions and persons were in attendance:

Locke Lord LLP

- Doug Faucette
- Dan Weitzel

Institutions and Representatives

- Ion Bank—Chuck Boulier
- Maspeth Federal—Tom Rudzewick
- First Shore Federal—Marty Neat
- Raymond Federal Bank—John Marvin
- First County Bank—Bob Granata
- First FS&LA of San Rafael—Paul Simmons

Topics of Discussion

1. Approval of the November 6, 2017 Meeting Minutes

Chairman Boulier asked for comments regarding the minutes of the November 6, 2017 meeting. A motion was made to approve the minutes. The motion was seconded and all voted in favor. The minutes were approved.

2. New York Times Report – Trump to Appoint OMB Director Mulvaney Acting CFPB Director

Mr. Faucette stated that several people were interested in the position of Director of the CFPB, including Rep. Hensarling. However, Mick Mulvaney was a good choice for the banking industry. He has always been an outspoken critic of the CFPB. In today's NY Times report, a

former Barney Frank staffer criticized the structure of the CFPB, calling it a mistake and that all agencies should be held accountable. Alternatively, Senator Warren was delighted with the CFPB's structure and is now very concerned that all her efforts will be undone with Mr. Mulvaney as acting director. Mr. Faucette stated further that Mr. Mulvaney has a good chance to actually undo some of the CFPB's current positions. But no matter what happens, it will be a while before a permanent director is confirmed.

Chairman Boulter commented that appointing Mr. Mulvaney as acting director should be good for the banking industry.

3. Otting Confirmed by Senate as Comptroller

Mr. Faucette stated that Keith Noreika just stepped down as acting comptroller. Joseph Otting was confirmed Thursday and sworn in this morning. Mr. Faucette commented that all of President Trump's appointees seem to have come out of the same big bank system. It remains to be seen if Comptroller Otting will be more effective than Mr. Noreika, but he may be just as strong willed.

Mr. Marvin asked Mr. Faucette if he thinks that Comptroller Otting will change things for the better. Mr. Faucette replied that Comptroller Otting is an insider and accountable to President Trump, and if he goes too far and gets too much criticism, the President could replace him. Mr. Faucette stated further that it continues to be difficult for small banks to get the attention of the system in a positive way because of the overpowering influence of the biggest banks. On his way out, Mr. Noreika said that he agrees with Senator Warren that the big banks are too big and should be broken up, although Senator Warren goes about it the wrong way. Mr. Faucette stated that even some of the President's people speak out of turn.

4. House Financial Services Committee Passes "23 Bill" Package

Mr. Faucette stated that it was disappointing to see that there was nothing in the "23 Bill" Package that was very attractive to banking in general. He had hoped to see another set of banking bills but this is not the package that mutual banks were waiting for. The Choice Act will have to be redone in the form of individual bills and another installment is needed by the financial services committee on the House side.

5. MSAAC Meeting Attendance Follow-Up

Mr. Faucette stated that he had a conversation with Michael Brickman, Deputy Comptroller for Thrift Supervision, about the MSAAC meeting held in Chicago on October 17, 2017. They discussed the issue of low attendance and the affect that it may have on mutuals going forward. Mr. Faucette said that Mr. Brickman agreed that attendance was very low and that the staff had called various people after the meeting to ask why they had not attended. Some mutuals said that they didn't attend because they attended the ABA conference and were not inclined to stay for the MSAAC meeting, while others said that they simply could not make the time.

Mr. Faucette stated that the MSAAC programs are overly focused on regulation instead of the relevant business topics concerning smaller banks. That may be due in part to smaller mutuals not being able to afford to attend the meetings. It may also be due to the apathy of the OCC hierarchy and its seemingly rapid loss of any institutional memory.

Mr. Faucette stated further that although they gave sufficient prior notice of the meeting, it was disappointing that no personal phone calls were made to encourage attendance. The OCC senior staff may not have a sense of what is the true purpose of the meetings. Mr. Faucette indicated that now that there is a new administration, this would be an ideal time to try to refocus on the MSAAC and issues concerning mutuals in general.

6. Faso Contemplates New Bill On MHC Dividend Waiver

Mr. Faucette stated that Rep. John Faso (R – NY) continues to be in support of mutual holding companies. He amended the Choice Act and got Chairman Hensarling to go along with the dividend waiver proposal. Rep. Faso's bill would reinstate the dividend-waiver to MHCs prior to Dodd-Frank's rules. However, the bill is seen as insignificant now and may not get any real attention until 2018 because passage of the tax bill is currently Congress's highest priority. Even though the bill itself may not drastically change things, the momentum with respect to community banking issues could get a lift with passage of the bill.

7. New Jersey Governor Elect Murphy Proposes State Chartered Banks

This topic was not discussed.

8. Next Meeting Schedule

Because Chairman Boulrier had to leave the meeting, acting Chairman Neat moved to set the next meeting for December 4, 2017. The motion was seconded and passed unanimously.

The next AMB meeting was set for Monday, December 4, 2017, at 1:00 pm ET.

The meeting was adjourned by unanimous vote at 1:45 pm.