MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS

July 24, 2025

Federal Reserve Bank of Dallas

The Board of Directors (the "Board") of the Federal Reserve Bank of Dallas (the "Bank") held its regular meeting virtually on July 24, 2025, at 8:30 a.m. (CST), with the following directors participating:

Present: Claudia Aguirre, Chair
Gary Kelly, Deputy Chair
Pascal Desroches
James Hill
Robert Hulsey
Victor Pierson
Joe Quiroga
Ruth Simmons
Cindy Taylor

The following branch directors also participated:

El Paso Branch
Tracee Bentley

Houston Branch
Gary Petersen

San Antonio Branch
Denise Hernandez

The following members of the Bank's staff also participated:

Lorie Logan, President and Chief Executive Officer
Robert L. Triplett, First Vice President and Chief Operating Officer
Tommy Alsbrooks, Senior Vice President and Chief Information Officer
Glenda S. Balfantz, Senior Vice President and General Auditor
Roberto Coronado, Senior Vice President and Senior Economist
Jeffrey L. Garrett, Senior Vice President and Chief Financial and Risk Officer
Emily Greenwald, Senior Vice President
Karel Mertens, Senior Vice President and Director of Research
Heidi Mitchell, Senior Vice President

Daron Peschel, Senior Vice President in Charge, Houston Branch
Mike Schetzel, Senior Vice President and Chief of Staff
Alison Schmidt, Senior Vice President and OMWI Director
Sam Schulhofer-Wohl, Senior Vice President and Senior Advisor to the President
David Teeples, Senior Vice President, General Counsel, and Interim Corporate Secretary
Kei-Mu Yi, Senior Vice President
Rebecca Zarutskie, Senior Vice President
Donald Bowers, Vice President and Regional Executive
Christine Docherty, Vice President and Deputy General Counsel
Gina Gadson-Richards, Vice President and Deputy Chief of Staff
Deborah Kilroe, Vice President
Pia Orrenius, Vice President
Sai Nori, Vice President and Deputy Chief of Staff
Seth Searls, Vice President
Guhan Venkatu, Vice President and Regional Executive
Mark Wynne, Vice President, Associate Director of Research
Missy Luton, Assistant Vice President and Associate General Counsel
Armida Riojas, Assistant Vice President and Regional Executive
Anthony Murphy, Senior Economic Policy Advisor
Alex Ritcher, Economic Advisor and Senior Economist
Sam Parson, Senior Counsel and Recorder
Laila Assanie, Senior Business Economist
Tyler Atkinson, Senior Business Economist
Jim Dolmas, Economic Policy Advisor and Senior Economist
Ron Mau, Senior Business Economist II
Labon Cook, Audio/Visual Specialist
Diego Morales-Burnett, Research Analyst
Azucena Greggerson, Senior Executive Assistant

WELCOME

Ms. Aguirre extended a cordial welcome to the Dallas directors and Branch directors and called the meeting to order at 8:30 a.m.

OPENING REMARKS

Ms. Logan spotlighted the Bank's recent innovation events and recapped Governor Chris Waller's visit to the 11th District. Ms. Logan then provided insights from recent outreach events and welcomed everyone to the meeting.

ADMINISTRATIVE MATTERS

The Dallas directors unanimously approved and adopted the minutes of the Board of Directors meeting held on June 12, 2025, and the Executive Committee meeting held on July 10, 2025

ENERGY ADVISORY COUNCIL REPORT

Mr. Peterson provided an update on the Energy Advisory Council meeting held on July 10, 2025. He highlighted the key topics covered in the meeting including: (i) energy transition, (ii) energy markets, and (iii) increased power demand to support data centers. Discussion ensued.

COMMUNITY BANK ENGAGEMENT PLAN

Ms. Greenwald delivered a presentation entitled “Community Banking Engagement: An integrated approach.” She provided an overview of the Bank’s engagement efforts with community banks in the 11th District. Discussion ensued.

HOUSING SUPPLY: QUANTIFYING THE SHORTFALL, UNDERSTANDING THE CAUSES AND PROPOSALS FOR INCREASING SUPPLY

Mr. Murphy presented a report: “Housing Supply and Affordability in the Long Run.” He noted that the supply of additional houses is not keeping up with additional demand for housing. The estimated housing shortage is four million or more houses. This has important consequences for households and the economy, including trapping talent in low-productivity regions. Restrictive zoning and related regulations are the most important factors limiting new housing supply. In many metros, the supply of new houses is very unresponsive to house prices and may have become a little less responsive over time. On an optimistic note, he pointed to a gradual shift away from NIMBYism (not in my backyard) to YIMBYism (yes in my backyard) and provided some examples. Although the additional supply of houses freed by ageing baby boomers and the sale of federal land for housing will help affordability, the effects are likely to be small. In addition, Mr. Murphy and Ms. Assanie briefly summarized the outlook for the housing market. Discussion ensued.

U.S. NATIONAL ECONOMIC UPDATE

Mr. Atkinson briefed directors on current U.S. economic conditions. He noted that data on economic activity had softened somewhat over the intermeeting period, particularly for consumption growth and home building. Gross Domestic Product (“GDP”) growth was expected to average near one percent for both the first half of the year and the year as a whole. Mr. Atkinson noted there were notable headwinds to growth, and some offsetting tailwinds included financial conditions and fiscal policy.

Mr. Atkinson reported the labor market remained stable near full employment, and typical recession predictors did not appear concerning.

He also noted inflation data was somewhat above two percent and whether this indicated stalling out of progress towards the target depended on the impact of tariffs on goods prices.

REPORT OF ECONOMIC CONDITIONS

Next the Dallas and Branch directors each provided updates and reported on the economic conditions in their respective regions and business sectors. Discussion ensued regarding: (i) tariffs, (ii) banking industry, (iii) manufacturing landscape, (iv) labor markets, (v) increased constructions costs, (vi) consumer trends, (vii) real estate markets, both residential and commercial, (viii) higher education, (ix) airline industry, and (x) regional trends around the state of Texas.

DISCUSSION OF ECONOMIC CONDITIONS

The Chair opened the floor for discussion and a conversation ensued on the economic conditions.

FIRST EXECUTIVE SESSION - DISCOUNT RATE ACTION

Ms. Logan thanked the directors for the insights provided from their respective industries and regions. She then provided her perspectives on current economic conditions. Finally, Ms. Logan recommended holding the primary credit rate at 4.50 percent. Discussion ensued.

Following the discussion, the directors voted to maintain the primary credit rate at 4.50 percent. In addition, the directors acted to maintain the formulas for calculating the secondary credit rate and the seasonal credit rate.

[Ms. Aguirre called for the Second Executive Session to begin; all participants left the meeting except Dallas directors, Branch directors, Lorie Logan, Robert Triplett, Glenda Balfantz, David Teeples and Office of the Corporate Secretary staff]

SECOND EXECUTIVE SESSION

Mr. Teeples provided an update on the upcoming Board of Directors elections.

[Ms. Aguirre called for the Third Executive Session to begin; all participants left the meeting except Dallas directors, Lorie Logan and Robert Triplett. Alison Schmidt rejoined the meeting]

THIRD EXECUTIVE SESSION

[redacted]

[Ms. Aguirre called for the Fourth Executive Session to begin; all participants left the meeting except Dallas directors and Lorie Logan.]

FOURTH EXECUTIVE SESSION

The Board met in executive session with Ms. Logan

[Ms. Aguirre called for the Fifth Executive Session to begin; all participants left the meeting except Class B and Class C directors]

FIFTH EXECUTIVE SESSION

Ms. Aguirre provided an update on the status of the President and First Vice President reappointment process.

MATERIALS FOR REVIEW

Each director received the following documents, which were filed with the Secretary:

(1) Board of Directors Meeting Minutes – June 12, 2025
(2) Executive Committee Meeting Minutes – July 10, 2025
(3) Community Banking Engagement
(4) Housing Supply and Affordability in the Long Run
(5) Economic Conditions Update
(6) 11K Review Board of Directors Report
(7) 11K District Activity – Discount Window
(8) San Antonio Board of Directors Meeting Summary – July 15, 2025
(9) El Paso Board of Directors Meeting Summary – July 16, 2025
(10) Houston Board of Directors Meeting Summary – July 24, 2025

ADJOURNMENT

The meeting adjourned at 11:53 a.m.

____
Interim Corporate Secretary DT: sp

APPROVED: _______________________________ Chair