Community Depository Institution Advisory Council

Federal Reserve Bank of Dallas

Meeting Minutes

October 6, 2026

CDIAC Members in Attendance:

Cynthia Blankenship, Bank of the West (Council Chair)

Asif Dakri, Wallis Bank

Jed Fanning, Citizens Bank of Las Cruces

Bobby Hoxworth, First National Bank Texas

Isaac Johnson, TDECU

Bob Malone, Sonora Bank

Jan Mills, First National Bank of Winnsboro

Raymond Rust III, Commercial Bank of Texas, N.A.

Margie Salazar, FirstLight Federal Credit Union

Jason D. Smith, Bonvenu Bank N.A.

Ford Sasser, Rio Bank

Federal Reserve Bank of Dallas Directors in Attendance:

Gary Kelly, Southwest Airlines Co.

Federal Reserve Bank Staff in Attendance:

Lorie Logan, Robert Triplett, Emily Greenwald, Heidi Mitchell, Donald Bowers, Lorenzo Garza, Deborah Kilroe, Ben Klein, Amy McGregor, Jamica Quillin, Tim Stearns, Mark Wynne, John Alexander, Kseniya Benderskaya, Amy Chapel, Alejandro Dieguez, Ally Hoffman, Julieta Ezeiza, Nicki Korb, Karen Smith, Christopher Schreck, Hayley Harris, Ben Munyan, Samantha Garrison, Kristof Csaky, Seth Dunbar, Rosie Levy, Mike Perez, Nikhil Sareen, Will Stephens, Reid Taylor, Mariam Yousuf

Administrative:

Emily Greenwald, senior vice president, called the meeting to order at 9:00 AM and greeted members. Lorie Logan, president and CEO, provided opening remarks and thanked the four departing members for their time on the Council.

Energy Presentation:

Reid Taylor, research economist, delivered a presentation on data centers and the electricity landscape to CDIAC ("the Council").

Meeting Minutes

Council members were asked to share their views on the following topics as part of the roundtable discussion:

Data Center Impacts:

Multiple members have either completed data centers or ongoing data center construction within their banks' markets. They highlighted positive and negative impacts from this activity. Construction is causing resource and labor constraints, as well as leading to increased strain on infrastructure such as roads and highways. However, the associated local tax windfalls are beneficial, especially in poorer and more rural regions, where they allow communities to invest in quality-of-life improvements.

Inflation & Market Dynamics:

Council members first discussed effects on commercial customers, stating that high diesel prices are forcing business slowdowns and even closings. Home builders are struggling due to high inflation in their material costs. Commercial builders, however, have indicated that the rise in interest rates is their largest difficulty, especially given that further increases are possible. Electricity suppliers are seeing strong demand for their products, especially from data center construction. High diesel prices and other sources of inflation are also affecting farmers and ranchers in the 11th District, with farmers indicating that the climb in fertilizer costs is forcing them to scale back purchases which could have negative downstream implications for crop yield. Ranchers state that the re-emergence of New World Screwworm is being properly managed by authorities, but protective measures are adding to costs. On the topic of consumer loans, members said that the volume of unsecured and auto loans had climbed dramatically over the past year, and they expect higher rates and tightened underwriting standards to reduce the amount of new consumer loans. Members also noted that delinquencies and charge-offs in the consumer lending space have been stable.

Competitive Environment:

Members said that competition for deposits is extremely strong, with community banks competing with both large financial institutions and non-banks. Several large national and regional banks are expanding their branch presence across Texas. Additionally, M&A activity continues to remain strong in Texas with both in and out-of-state banks pursuing acquisitions to grow their presence in the district. However, members also noted that deposit competition from financial technology firms has yet to have a large effect, especially in rural markets.

Labor Force Changes:

According to members, finding workers in several fields, especially agriculture and construction, has become a challenge. Contacts said that getting work permits for immigrants in both fields is also

difficult, with one home builder customer stating that labor challenges can add 30 days to construction projects.

Emerging Risks:

Finally, members mentioned several other emerging risks. Multiple members said they were monitoring growth in stablecoin and digital asset activity. They stated that while they had yet to enter that market, they were closely watching consumer demand for those types of products and evaluating when it made sense to explore offering these products and services to their customers. Cyber threats were also cited as an area of concern by several members, due to news of recent AI-driven breaches and incidents among vendors and customers.

Adjournment

The meeting was adjourned at 12:00 pm CT.