DISCOUNT AND ADVANCE RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate; renewal by those Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility; and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Approved.
November 23, 2009.

The Board approved the establishment without change of the rate for discounts and advances under the primary credit program (1/2 percent) by the Federal Reserve Banks of Boston, Cleveland, Atlanta, St. Louis, Dallas, and San Francisco on November 12, 2009, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Chicago, Minneapolis, and Kansas City on November 19. The Board also approved renewal by those Banks, on the dates indicated above, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and of the auction procedure for determining the rate for the Term Auction Facility. In addition, the Board approved renewal by the Federal Reserve Bank of New York on November 19 of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, November 20, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and transmission from Ms. Beattie to the Federal Reserve Bank of New York, November 23, 2009.

DISCOUNT AND ADVANCE RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate.

Existing rate maintained.
December 14, 2009.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, and Minneapolis had voted on December 3, 2009, and the directors of the Federal Reserve Banks of Boston, Cleveland, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco had voted on December 10 to reestablish the existing rate for discounts and advances (1/2 percent) under the primary credit program (primary credit rate).

Federal Reserve Bank directors noted signs that a recovery in economic activity was under way, but they cautioned that activity remained at a low level and that the pace of recovery was likely to be slow. Financial market conditions had improved in recent months, and some institutions were able to take advantage of good lending opportunities. However, other financial institutions continued to struggle with repairing their balance sheets. Credit conditions in certain market segments remained tight. The housing sector showed signs of stabilization, albeit due in part to the special credit program for first-time homebuyers. Some directors also viewed upward revisions to recent data on employee compensation and personal income as improving the outlook for growth in personal consumption. Although a recent employment report indicated that the deterioration in the labor market was abating, directors expressed continuing concerns about the high rate of unemployment. Given the outlook for a slow recovery and persisting downside risks, and with inflation and inflation expectations at modest levels, directors agreed that the current accommodative stance of monetary policy remained appropriate.

Today, Board members considered the primary credit rate and discussed, on a preliminary basis, their individual assessments of the appropriate rate and its communication, which would be discussed at the meeting of the Federal Open Market Committee this week. No sentiment was expressed for changing the primary credit rate before the Committee's meeting, and the existing rate was maintained.

Participating in this determination: Chairman Bernanke, Vice Chairman Kohn, and Governors Duke and Tarullo.

Background: Office of the Secretary memorandum, December 11, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, December 14, 2009.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates; renewal by those Banks of the auction procedure for determining the rate for the Term Auction Facility; and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Approved.
December 14, 2009.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, Richmond, and Minneapolis on December 3, 2009, and by the Federal Reserve Banks of Boston, Cleveland, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on December 10 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and of the auction procedure for determining the rate for the Term Auction Facility. In addition, the Board approved renewal by the Federal Reserve Bank of New York on December 3 of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Duke and Tarullo.

Background: Office of the Secretary memorandum, December 11, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and transmission from Ms. Beattie to the Federal Reserve Bank of New York, December 14, 2009.