DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
August 23, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, St. Louis, and San Francisco had voted on August 12, 2010, and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, and Minneapolis had voted on August 19 to reestablish the existing rate for discounts and advances (3/4 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Kansas City and Dallas had voted on August 12 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on August 9, the Board had taken no action on similar requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit rate.

At today's meeting, no sentiment was expressed in favor of considering the primary credit rate, and the existing rate was maintained.

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

Background: Office of the Secretary memorandum, August 20, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, August 23, 2010.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates.

Approved.
August 23, 2010.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, St. Louis, Kansas City, Dallas, and San Francisco on August 12, 2010, and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, and Minneapolis on August 19 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, August 20, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, August 23, 2010.

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
September 7, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, St. Louis, and San Francisco had voted on August 26, 2010, and the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, and Minneapolis had voted on September 2 to reestablish the existing rate for discounts and advances (3/4 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Bank of Dallas had voted on August 26 and the directors of the Federal Reserve Bank of Kansas City had voted on September 2 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on August 23, the Board had taken no action on similar requests by the Federal Reserve Banks of Dallas and Kansas City to increase the primary credit rate.

At today's meeting, no sentiment was expressed in favor of considering the primary credit rate, and the existing rate was maintained.

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

Background: Office of the Secretary memorandum, September 3, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, September 7, 2010.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates.

Approved.
September 7, 2010.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco on August 26, 2010, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City on September 2 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, September 3, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, September 7, 2010

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
September 20, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, St. Louis, and San Francisco had voted on September 8, 2010; the directors of the Federal Reserve Bank of Cleveland had voted on September 9; and the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, and Minneapolis had voted on September 16 to reestablish the existing rate for discounts and advances (3/4 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Bank of Dallas had voted on September 9 and the directors of the Federal Reserve Bank of Kansas City had voted on September 16 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on September 7, the Board had taken no action on similar requests by the Federal Reserve Banks of Dallas and Kansas City to increase the primary credit rate.

Federal Reserve Bank directors noted recent economic indicators suggesting a slow and uneven pace of recovery in output and employment. Some directors said that manufacturing activity and consumer spending had improved somewhat, but directors generally pointed to signs of softness in economic activity. The housing sector continued to be depressed, and labor markets remained weak. Several directors noted that uncertainty about the strength of the economy as well as fiscal and regulatory policies was weighing on capital spending and hiring. A number of directors reported that the pace of the recovery had slowed in recent months. With inflation subdued and inflation expectations stable, most directors recommended that the current accommodative stance of monetary policy be maintained.

As another step toward restoring a pre-crisis discount rate structure, some directors supported increasing the primary credit rate by 25 basis points (to 1 percent) at this time. Such an action would result in a 75-basis-point spread between the primary credit rate and the upper end of the Federal Open Market Committee's target range for the federal funds rate. It was emphasized that an increase in this spread would not represent a change in monetary policy, but rather a move toward normalization of the primary credit rate.

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 tomorrow. 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 and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, September 17, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, September 20, 2010

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates.

Approved.
September 20, 2010.

The Board approved renewal by the Federal Reserve Banks of Boston, St. Louis, and San Francisco on September 8, 2010; by the Federal Reserve Banks of Cleveland and Dallas on September 9; and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City on September 16 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, September 17, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, September 20, 2010