DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; request by one Reserve Bank to decrease the primary credit rate; and request by one Reserve Bank to increase the primary credit rate.

Existing rate maintained.
May 21, 2012.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Richmond, St. Louis, Dallas, and San Francisco had voted on May 10, 2012, and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, and Minneapolis had voted on May 17 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 Boston had voted on May 10 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Bank of Kansas City had voted on May 10 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on April 23, the Board had taken no action on similar requests by the Federal Reserve Bank of Boston to decrease and by the Federal Reserve Bank of 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, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, May 18, 2012.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, May 21, 2012.

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

Approved.
May 21, 2012.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, St. Louis, Kansas City, Dallas, and San Francisco on May 10, 2012, and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, and Minneapolis on May 17 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, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, May 18, 2012.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, May 21, 2012.

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; request by one Reserve Bank to decrease the primary credit rate; and request by one Reserve Bank to increase the primary credit rate.

Existing rate maintained.
June 4, 2012.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Philadelphia, Cleveland, Richmond, St. Louis, Dallas, and San Francisco had voted on May 24, 2012, and the directors of the Federal Reserve Banks of New York, Atlanta, Chicago, and Minneapolis had voted on May 31 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 Boston had voted on May 24 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Bank of Kansas City had voted on May 24 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on May 21, the Board had taken no action on similar requests by the Federal Reserve Bank of Boston to decrease and by the Federal Reserve Bank of Kansas City to increase 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 next meeting of the Federal Open Market Committee. Board members also discussed economic and financial developments and issues related to possible policy options. 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 Chair Yellen, and Governors Duke, Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, June 1, 2012.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, June 4, 2012.

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

Approved.
June 4, 2012.

The Board approved renewal by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, St. Louis, Kansas City, Dallas, and San Francisco on May 24, 2012, and by the Federal Reserve Banks of New York, Atlanta, Chicago, and Minneapolis on May 31 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, Vice Chair Yellen, and Governors Duke, Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, June 1, 2012.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, June 4, 2012.

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; request by one Reserve Bank to decrease the primary credit rate; and request by one Reserve Bank to increase the primary credit rate.

Existing rate maintained.
June 18, 2012.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and Philadelphia had voted on June 7, 2012, and the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco had voted on June 14 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 Boston had voted on June 14 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Bank of Kansas City had voted on June 14 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on June 4, the Board had taken no action on similar requests by the Federal Reserve Bank of Boston to decrease and by the Federal Reserve Bank of Kansas City to increase the primary credit rate.

Federal Reserve Bank directors noted relative weakness in recent economic data but generally expected moderate economic growth to continue over the coming quarters. Some directors reported strong performance in sectors related to energy, agricultural products, and auto manufacturing and sales. Some directors also noted positive developments in the housing sector, such as stabilizing prices and modest gains in residential construction. Overall, directors saw consumer spending as having softened somewhat relative to earlier in the year. In labor markets, the pace of gains in employment had slowed, and the elevated unemployment rate remained a source of concern. Directors cited ongoing downside risks, including still-significant strains in global financial markets and domestic fiscal uncertainty, as resulting in heightened caution regarding hiring and investment. Lower prices for energy and other commodities had led to a decline in inflation, and longer-term inflation expectations had remained stable. Against this backdrop, most directors recommended that the current primary credit rate be maintained.

However, other Federal Reserve Bank directors viewed current and anticipated economic conditions as warranting either an increase or decrease in the primary credit rate. Some directors favored decreasing the rate by 25 basis points (to 1/2 percent), while other directors favored increasing the rate by 25 basis points (to 1 percent). In part, directors viewed an increase, which would widen the spread between the primary credit rate and the upper end of the target range for the federal funds rate to 75 basis points, as a move toward restoring the 100-basis-point spread in the pre-crisis discount rate structure.

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. Thereafter, a discussion of economic and financial developments and issues related to possible policy actions took place. (NOTE: Vice Chair Yellen was not present for this discussion.)

Participating in this determination: Chairman Bernanke, Vice Chair Yellen, and Governors Duke, Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, June 15, 2012.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, June 18, 2012.

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

Approved.
June 18, 2012.

The Board approved renewal by the Federal Reserve Banks of New York and Philadelphia on June 7, 2012, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on June 14 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, Vice Chair Yellen, and Governors Duke, Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, June 15, 2012.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, June 18, 2012.