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

Existing rate maintained.
October 7, 2013.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Atlanta, Chicago, and San Francisco had voted on September 26, 2013, and the directors of the Federal Reserve Banks of Boston, New York, Richmond, and St. Louis had voted on October 3, 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 Minneapolis had voted on September 26 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Banks of Kansas City and Dallas had voted on September 26, and the directors of the Federal Reserve Bank of Philadelphia had voted on October 3, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on September 16, the Board had taken no action on similar requests by the Federal Reserve Bank of Minneapolis to decrease, and by the Federal Reserve Banks of Philadelphia, 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, Vice Chair Yellen, and Governors Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, October 4, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 7, 2013.

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

Approved.
October 7, 2013.

The Board approved renewal by the Federal Reserve Banks of Cleveland, Atlanta, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco on September 26, 2013, and by the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, and St. Louis on October 3, 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 Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, October 4, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 7, 2013.

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

Existing rate maintained.
October 28, 2013.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and St. Louis had voted on October 17, 2013, and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, and San Francisco had voted on October 24, 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 Minneapolis had voted on October 24 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Banks of Philadelphia and Kansas City had voted on October 17, and the directors of the Federal Reserve Bank of Dallas had voted on October 24, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on October 7, the Board had taken no action on similar requests by the Federal Reserve Bank of Minneapolis to decrease, and by the Federal Reserve Banks of Philadelphia, Kansas City, and Dallas to increase, the primary credit rate.

Federal Reserve Bank directors provided mixed reports on recent economic activity. Many directors reported soft consumer spending, although some higher-end retailers had experienced gains. Some directors saw improvements in the manufacturing and energy sectors. Housing activity had slowed in some Districts, partially in response to higher interest rates. Job growth was described as steady, on balance, although the unemployment rate remained elevated. Overall, most directors continued to see downside risks to the outlook stemming from regulatory, fiscal, and other matters, and some expressed concern that unresolved fiscal issues, in particular, could continue to have a negative impact on economic activity. Although recent inflation readings were lower than the Federal Open Market Committee's (the Committee's) longer-run goal, directors did not note a change in longer-term inflation expectations, which 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 a decrease in the primary credit rate. Some directors favored increasing the rate by 25 basis points (to 1 percent), while other directors favored reducing the rate by 25 basis points (to 1/2 percent). In part, those directors requesting 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, were interested in moving toward the 100-basis-point spread in the pre-crisis discount rate structure. Those directors favoring a reduction in the primary credit rate believed that a lower setting would help to foster the Committee's macroeconomic objectives of maximum employment and price stability.

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 Committee's meeting 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: Governor Raskin was not present for this discussion.)

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

Background: Office of the Secretary memorandum, October 25, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 28, 2013.

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

Approved.
October 28, 2013.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, St. Louis, and Kansas City on October 17, 2013, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Dallas, and San Francisco on October 24, 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 Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, October 25, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 28, 2013.