DISCOUNT AND ADVANCE RATES -- Requests by nine Reserve Banks to maintain the existing rate and requests by three Reserve Banks to increase the primary credit rate.

Existing rate maintained.
June 2, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Atlanta, Minneapolis, and San Francisco had voted on May 22, 2014, and the directors of the Federal Reserve Banks of New York, Richmond, Chicago, and St. Louis had voted on May 29, 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 May 22, and the directors of the Federal Reserve Bank of Philadelphia had voted on May 29, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on April 28, the Board had taken no action on similar requests 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: Chair Yellen and Governors Tarullo, Powell, and Fischer.

Background: Office of the Secretary memorandum, May 30, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, June 2, 2014.

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

Approved.
June 2, 2014.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Atlanta, Minneapolis, Kansas City, Dallas, and San Francisco on May 22, 2014, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Chicago, and St. Louis on May 29, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen and Governors Tarullo, Powell, and Fischer.

Background: Office of the Secretary memorandum, May 30, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, June 2, 2014.

DISCOUNT AND ADVANCE RATES -- Requests by nine Reserve Banks to maintain the existing rate and requests by three Reserve Banks to increase the primary credit rate.

Existing rate maintained.
June 16, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Richmond, and St. Louis had voted on June 5, 2014, and the directors of the Federal Reserve Banks of New York, Cleveland, Atlanta, Chicago, Minneapolis, and San Francisco had voted on June 12, 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 Philadelphia, Kansas City, and Dallas had voted on June 12 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on June 2, the Board had taken no action on similar requests by the Federal Reserve Banks of Philadelphia, Kansas City, and Dallas to increase the primary credit rate.

Federal Reserve Bank directors noted ongoing improvements in economic activity, and most directors expected the economy to continue expanding at a moderate pace. Consumer spending remained on a moderately upward trend, particularly in large metropolitan areas and at higher-end retailers. Many directors also described manufacturing as either holding steady or picking up gradually. Housing market activity was generally slow, although some areas reported increased activity. Labor markets showed further signs of improvement, but most firms were still cautious about hiring, and the unemployment rate remained elevated. Directors generally did not report an increase in price pressures or 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.

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. These directors favored a move toward normalization of the primary credit rate in light of their outlook for economic and financial conditions, as well as their assessments of the risks to that outlook.

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.

Participating in this determination: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, June 13, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, June 16, 2014.

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

Approved.
June 16, 2014.

The Board approved renewal by the Federal Reserve Banks of Boston, Richmond, and St. Louis on June 5, 2014, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, Atlanta, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco on June 12, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background:	Office of the Secretary memorandum, June 13, 2014.
Implementation:	Transmissions from Mr. Frierson to the Reserve Banks, June 16, 2014.