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.
August 25, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Richmond, and San Francisco had voted on August 14, 2014, and the directors of the Federal Reserve Banks of Boston, New York, Atlanta, Chicago, St. Louis, and Minneapolis had voted on August 21, 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 14, and the directors of the Federal Reserve Bank of Philadelphia had voted on August 21, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on July 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, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, August 22, 2014.

Implementation: Transmissions from Ms. Shanks to the Reserve Banks, August 25, 2014.

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

Approved.
August 25, 2014.

The Board approved renewal by the Federal Reserve Banks of Cleveland, Richmond, Kansas City, Dallas, and San Francisco on August 14, 2014, and by the Federal Reserve Banks of Boston, New York, Philadelphia, Atlanta, Chicago, St. Louis, and Minneapolis on August 21, 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, August 22, 2014.

Implementation: Transmissions from Ms. Shanks to the Reserve Banks, August 25, 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.
September 15, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, New York, and St. Louis had voted on September 4, 2014, and the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, Minneapolis, and San Francisco had voted on September 11, 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 Philadelphia had voted on September 4, and the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on September 11, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on August 25, 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 generally anticipated continued moderate economic growth. Directors reported further increases in consumer spending, but some directors also cited uneven activity across income groups and ongoing caution on the part of consumers. Other directors noted moderate to strong growth in the manufacturing sector, as well as gains in multifamily and nonresidential construction. Residential real estate activity remained a concern for some directors. The unemployment rate had been stable recently, but labor market conditions had improved somewhat on balance. Directors generally saw continued slack in labor markets, although some firms still reported difficulty finding qualified workers for certain positions. Directors did not see an increase in overall price pressures, and longer-term inflation expectations 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, September 12, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, September 15, 2014.

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

Approved.
September 15, 2014.

The Board approved renewal by the Federal Reserve Banks of Boston, New York, Philadelphia, and St. Louis on September 4, 2014, and by the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco on September 11, 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, September 12, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, September 15, 2014.