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.
October 6, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Atlanta, Minneapolis, and San Francisco had voted on September 25, 2014, and the directors of the Federal Reserve Banks of Boston, New York, Richmond, Chicago, and St. Louis had voted on October 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 Banks of Kansas City and Dallas had voted on September 25, and the directors of the Federal Reserve Bank of Philadelphia had voted on October 2, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on September 15, 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: Vice Chairman Fischer and
Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, October 3, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 6, 2014.

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

Approved.
October 6, 2014.

The Board approved renewal by the Federal Reserve Banks of Cleveland, Atlanta, Minneapolis, Kansas City, Dallas, and San Francisco on September 25, 2014, and by the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Chicago, and St. Louis on October 2, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, October 3, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 6, 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.
October 27, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Richmond, and St. Louis had voted on October 16, 2014, and the directors of the Federal Reserve Banks of Boston, Cleveland, Atlanta, Chicago, Minneapolis, and San Francisco had voted on October 23, 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 Kansas City had voted on October 16, and the directors of the Federal Reserve Banks of Philadelphia and Dallas had voted on October 23, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on October 6, 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 noted ongoing improvements in economic activity, and they expected continued moderate economic growth. Some directors reported consumer spending had improved, although others cited uneven activity across income groups. Directors reported a strengthening in nonresidential and multifamily construction, while reports on residential real estate activity were mixed. The unemployment rate had declined recently, but a range of indicators suggested slack remained in labor markets. Nonetheless, some firms reported difficulty finding workers across various skill levels. Several directors expressed concerns about potential risks to the foreign economic outlook. Inflation continued to run below the Federal Reserve's 2 percent objective. 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, October 24, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 27, 2014.

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

Approved.
October 27, 2014.

The Board approved renewal by the Federal Reserve Banks of New York, Richmond, St. Louis, and Kansas City on October 16, 2014, and by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Atlanta, Chicago, Minneapolis, Dallas, and San Francisco on October 23, 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, October 24, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 27, 2014.