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

Existing rate maintained.
May 23, 2016.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Chicago, Minneapolis, and Dallas had voted on May 12, 2016, and the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Atlanta, and St. Louis had voted on May 19, to reestablish the existing rate for discounts and advances (1 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Cleveland, Richmond, Kansas City, and San Francisco had voted on May 12 to establish a rate of 1-1/4 percent (an increase from 1 percent). At its meeting on April 25, the Board had taken no action on similar requests by the Cleveland, Richmond, Kansas City, and San Francisco Reserve Banks to increase the primary credit rate.

At today's meeting, no sentiment was expressed for changing the primary credit rate, and the existing rate was maintained. Thereafter, a discussion of issues related to possible policy actions took place.

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

Background: Office of the Secretary memorandum, May 20, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, May 23, 2016.

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

Formulas renewed.
May 23, 2016.

The formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs were renewed by the Board for the Federal Reserve Banks of Cleveland, Richmond, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco on May 12, 2016, and for the Federal Reserve Banks of Boston, New York, Philadelphia, Atlanta, and St. Louis on May 19.

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

Background: Office of the Secretary memorandum, May 20, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, May 23, 2016.

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

Existing rate maintained.
June 13, 2016.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on June 2, 2016, and the directors of the Federal Reserve Banks of Atlanta, Chicago, and Dallas had voted on June 9, to reestablish the existing rate for discounts and advances (1 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Boston, Richmond, and St. Louis had voted on June 2, and the directors of the Federal Reserve Banks of Cleveland, Kansas City, and San Francisco had voted on June 9, to establish a rate of 1-1/4 percent (an increase from 1 percent). At its meeting on May 23, the Board had taken no action on requests by the Cleveland, Richmond, Kansas City, and San Francisco Reserve Banks to increase the primary credit rate.

Federal Reserve Bank directors generally indicated that economic activity was expanding at a moderate pace, though their reports were somewhat mixed across different sectors and Districts. Several directors noted improvements in consumer spending and a high level of auto sales. They also reported further progress in the housing sector, along with rising prices for single-family homes. Reports on commercial real estate generally pointed to continued strength. However, directors also cited ongoing weakness in manufacturing, agriculture, and export-related industries. Labor market indicators were improving, but several directors reported that companies were being cautious about adding staff. Some directors also noted that businesses were still having difficulty hiring and retaining workers for particular occupations and in certain regions. Inflation remained below the Federal Reserve's 2 percent objective.

Against this backdrop, directors at several Federal Reserve Banks recommended that the current primary credit rate be maintained. In general, they judged that labor market conditions and below-target inflation supported maintaining the current accommodative stance of monetary policy. Other Federal Reserve Bank directors recommended increasing the primary credit rate to 1-1/4 percent, in light of actual and expected strengthening in economic activity and their expectations for inflation to gradually move toward the 2 percent objective.

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 10, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, June 13, 2016.

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

Formulas renewed.
June 13, 2016.

The formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs were renewed by the Board for the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, St. Louis, and Minneapolis on June 2, 2016, and for the Federal Reserve Banks of Cleveland, Atlanta, Chicago, Kansas City, Dallas, and San Francisco on June 9.

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

Background: Office of the Secretary memorandum, June 10, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, June 13, 2016.