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 12, 2013.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on August 1, 2013, and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, and San Francisco had voted on August 8 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 Banks of Philadelphia and Kansas City had voted on August 1, and the directors of the Federal Reserve Bank of Dallas had voted on August 8 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on July 29, 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.

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 next meeting of the Federal Open Market Committee in September. 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 Duke was not present for this discussion.)

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

Background: Office of the Secretary memorandum, August 9, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, August 12, 2013.

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

Approved.
August 12, 2013.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, and Kansas City on August 1, 2013, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco on August 8 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 Duke, Tarullo, Raskin, and Stein.

Background: Office of the Secretary memorandum, August 9, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, August 12, 2013.

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 26, 2013.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on August 15, 2013, and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, and San Francisco had voted on August 22 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 August 15, and the directors of the Federal Reserve Banks of Philadelphia and Dallas had voted on August 22 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on August 12, 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.

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 next meeting of the Federal Open

Market Committee in September. 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 Duke was not present for this discussion.)

Participating in this determination: Chairman Bernanke and Governors Duke,
Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, August 23, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, August 26, 2013.

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

Approved.
August 26, 2013.

The Board approved renewal by the Federal Reserve Banks of New York and Kansas City on August 15, 2013, and by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco on August 22 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 and Governors Duke,
Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, August 23, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, August 26, 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.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Boston had voted on September 4, 2013; the directors of the Federal Reserve Bank of Richmond had voted on September 10; and the directors of the Federal Reserve Banks of New York, Cleveland, Atlanta, Chicago, St. Louis, and San Francisco had voted on September 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 Bank of Minneapolis had voted on September 12 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Bank of Philadelphia had voted on September 5, and the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on September 12 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on August 26, the Board had taken no action on requests by the Federal Reserve Banks of Philadelphia, Kansas City, and Dallas to increase the primary credit rate.

Federal Reserve Bank directors mostly saw economic activity as expanding at a moderate pace. Directors viewed recent readings on manufacturing activity and the housing and auto sectors as generally positive. Consumer spending continued to advance, although reports suggested that some households remained cautious in their borrowing and spending behavior. Some directors noted that the recent increase in long-term interest rates had dampened activity in housing markets, but others perceived that the recovery in housing markets had been largely unaffected to date by the rise in rates. Although labor market conditions were viewed as improving, the unemployment rate remained elevated. Overall, directors continued to see downside risks to the outlook stemming from ongoing domestic fiscal constraints and uncertainties, recent increases in long-term interest rates, and geopolitical concerns. 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 looser 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, September 13, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, September 16, 2013.

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

Approved.
September 16, 2013.

The Board approved renewal by the Federal Reserve Bank of Boston on September 4, 2013; by the Federal Reserve Bank of Philadelphia on September 5; by the Federal Reserve Bank of Richmond on September 10; and by the Federal Reserve Banks of New York, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on September 12 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, September 13, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, September 16, 2013.