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DISCOUNT AND ADVANCE RATES -- Requests by twelve Reserve Banks to maintain the existing primary credit rate; requests to renew the secondary and seasonal credit formulas.

Existing rate and formulas approved.  
May 18, 2020.

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Today, Board members discussed economic and financial developments and issues related to possible policy actions. In connection with this discussion, Board members considered discounts and advances under the primary credit program (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 joint meeting of the Board and the Federal Open Market Committee.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Philadelphia, Richmond, Atlanta, and Dallas had voted on May 7, 2020, and the directors of the Federal Reserve Banks of Boston, New York, Cleveland, Chicago, St. Louis, Minneapolis, Kansas City, and San Francisco had voted on May 14, to establish the primary credit rate at the existing level of 0.25 percent.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 0.25 percent. The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs for all twelve Reserve Banks. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for this action: Chair Powell, Vice Chair Clarida,  
Vice Chair for Supervision Quarles,  
and Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, May 15, 2020.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,  
May 18, 2020.

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DISCOUNT AND ADVANCE RATES -- Requests by twelve Reserve Banks to maintain the existing primary credit rate; requests to renew the secondary and seasonal credit formulas.

Existing rate and formulas approved.  
June 1, 2020.

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Today, Board members discussed economic and financial developments and issues related to possible policy actions. In connection with this discussion, Board members considered discounts and advances under the primary credit program (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 joint meeting of the Board and the Federal Open Market Committee (FOMC) next week.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Philadelphia, Richmond, Atlanta, and Dallas had voted on May 21, 2020, and the directors of the Federal Reserve Banks of Boston, New York, Cleveland, Chicago, St. Louis, Minneapolis, Kansas City, and San Francisco had voted on May 28, to establish the primary credit rate at the existing level of 0.25 percent.

Federal Reserve Bank directors continued to report a sharp decline in economic activity due to the COVID-19 pandemic, although several directors noted the severity of the impact varied geographically and by industry. Most directors observed that the pace of job losses had slowed since the onset of the crisis but was still exceptionally high. While some directors reported a busy construction sector, they noted few new projects in the pipeline and expressed concerns about a slowdown in 2021. Consumer spending was subdued even as many nonessential businesses began re-opening, and activity in the retail, restaurant, and hotel sectors remained severely curtailed. Overall, directors continued to express considerable uncertainty about the evolution of the pandemic and associated implications for the economic outlook.

The directors of all twelve Federal Reserve Banks favored maintaining the current primary credit rate at the existing level (0.25 percent). In light of the uncertainties associated with the pandemic, the directors judged that it would be appropriate for the FOMC to closely monitor the implications of incoming information for the economic outlook and act as appropriate to support a return to maximum employment with inflation centered on the FOMC's 2 percent inflation objective.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary

credit rate at the existing level of 0.25 percent. The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs for all twelve Reserve Banks. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for this action: Chair Powell, Vice Chair Clarida,  
Vice Chair for Supervision Quarles,  
and Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, May 29, 2020.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,  
June 1, 2020.

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MONETARY POLICY IMPLEMENTATION -- Interest rate on required and excess reserve balances unchanged; rates on discounts and advances unchanged; renewal of secondary and seasonal credit formulas.

Approved.  
June 10, 2020.

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In a joint meeting of the Federal Open Market Committee (FOMC) and the Board today, the FOMC decided to maintain the target range for the federal funds rate at 0 to 1/4 percent, effective June 11, 2020. Consistent with the FOMC's decision to leave the target range for the federal funds rate unchanged, the Board approved maintaining the interest rate (0.10 percent) paid on required and excess reserve balances, effective June 11, 2020. At today's meeting, the Board also approved the establishment of the interest rate on discounts and advances made under the primary credit program (the primary credit rate) at the existing level (0.25 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Philadelphia, Richmond, Atlanta, Chicago, St. Louis, and Dallas had voted on June 4, 2020, to establish the primary credit rate at the existing level of 0.25 percent.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary

credit rate at the existing level of 0.25 percent. The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for these actions: Chair Powell, Vice Chair Clarida,  
Vice Chair for Supervision Quarles, and  
Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, June 5, 2020.

Implementation: FOMC statement (with attached Implementation Note) and  
transmissions from Ms. Misback to the Reserve Banks, June 10,  
2020.