
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 17, 2021.

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, Atlanta, Dallas, and San Francisco had voted on May 6, 2021, and the directors of the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, and Kansas City had voted on May 13, 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, Bowman, and Waller.

Background: Office of the Secretary memorandum, May 14, 2021.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,
May 17, 2021.

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 7, 2021.

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 New York, Cleveland, Richmond, and Kansas City had voted on May 27, 2021, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco had voted on June 3, to establish the primary credit rate at the existing level of 0.25 percent.

Overall, Federal Reserve Bank directors were positive about the economic outlook and continued to report strengthening activity across sectors and Districts. Directors noted high demand for housing and a broad range of products and services, including motor vehicles, leisure air travel, apparel, and other retail goods. Several directors observed that activity in the industries most affected by COVID restrictions, such as restaurant dining, tourism, and hospitality, had picked up notably. However, directors also commented on the challenges posed by ongoing supply chain disruptions, rising input costs, and labor shortages. Businesses continued to have difficulty filling positions at all skill levels, and several directors noted that the strong demand for labor was putting upward pressures on wages. Some directors expressed concern about inflation trends.

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 economic outlook, the directors judged that it would be appropriate for the FOMC to maintain the current stance of policy to continue to support economic recovery and foster progress toward the FOMC's long-run goals of maximum employment and stable prices.

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, Bowman, and Waller.

Background: Office of the Secretary memorandum, June 4, 2021.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,
June 7, 2021.

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

Approved.
June 16, 2021.

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 17, 2021. To foster trading in the federal funds market at rates well within the FOMC's target range and to support the smooth functioning of short-term funding markets, the Board approved setting the interest rate paid on required and excess reserve balances at 0.15 percent, effective June 17, 2021. 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 (.25 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Kansas City, and Dallas had voted on June 10, 2021, 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, Bowman, and Waller.

Background: Office of the Secretary memorandum, June 10, 2021.

Implementation: FOMC Statement (with attached Implementation Note) and transmissions from Ms. Misback to the Reserve Banks, June 16, and Federal Register document (Docket No. R-1753, RIN 7100-AG17), July 19, 2021.