

---

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.  
November 15, 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 Boston, New York, Philadelphia, Chicago, St. Louis, Minneapolis, and San Francisco had voted on November 4, 2021; the directors of the Federal Reserve Bank of Atlanta had voted on November 5; the directors of the Federal Reserve Bank of Kansas City had voted on November 9; and the directors of the Federal Reserve Banks of Cleveland, Richmond, and Dallas had voted on November 10, 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 this action: Chair Powell and Governors Quarles, Brainard, and Waller.  
Absent: Vice Chair Clarida and Governor Bowman.

Background: Office of the Secretary memorandum, November 12, 2021.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,  
November 15, 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.  
December 6, 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 Cleveland, Richmond, and Dallas had voted on November 24, 2021, and the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, and San Francisco had voted on December 2, to establish the primary credit rate at the existing level of 0.25 percent.

Federal Reserve Bank directors generally were optimistic about the economic outlook, although their assessments varied to some degree. Most directors reported that consumer spending remained strong, with the demand for goods still outpacing supply. Despite an ongoing tight labor market and consequent upward pressure on wages, several directors noted solid job growth and expected the unemployment rate to continue to fall. Although directors highlighted the ongoing global shortages and inventory management challenges associated with supply chain disruptions, a few directors noted that some companies in their Districts had successfully implemented supply chain workarounds. Looking ahead to 2022, several directors expected continued economic momentum from sustained strong demand but noted that the emergence of the COVID-19 Omicron variant had created some uncertainty in the outlook. After commenting on the risks of continued elevated inflation, several directors added that longer-term inflation expectations seemed to remain stable.

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. However, in light of ongoing inflation pressures and the rapid improvement in the labor market, a number of directors noted that it might soon become appropriate to begin a process of removing policy accommodation.

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 this action: Chair Powell, Vice Chair Clarida,  
and Governors Quarles, Brainard,  
Bowman, and Waller.

Background: Office of the Secretary memorandum, December 3, 2021.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,  
December 6, 2021.

---

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

Approved.  
December 15, 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 0-1/4 percent, effective December 16, 2021. Consistent with the FOMC's decision to leave the target range for the federal funds rate unchanged, the Board approved maintaining the interest rate paid on reserve balances at 0.15 percent, effective December 16, 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 (0.25 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Kansas City, and Dallas had voted on December 9, 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,  
and Governors Quarles, Brainard,  
Bowman, and Waller.

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

Implementation: FOMC Statement (with attached Implementation Note) and transmissions from Ms. Misback to the Reserve Banks, December 15, 2021.