
DISCOUNT AND ADVANCE RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate; renewal by those Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility; and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Approved.
October 13, 2009.

The Board approved the establishment without change of the rate for discounts and advances under the primary credit program (1/2 percent) by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City on October 1, 2009, and by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco on October 8. The Board also approved renewal by those Banks, on the dates indicated above, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and of the auction procedure for determining the rate for the Term Auction Facility. In addition, the Board approved renewal by the Federal Reserve Bank of New York on October 1 of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke and Governors Warsh,
Duke, and Tarullo.

Background: Office of the Secretary memorandum, October 9, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and
transmission from Ms. Hughes to the Federal Reserve Bank of
New York, October 13, 2009.

DISCOUNT AND ADVANCE RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate.

Existing rate maintained.
November 2, 2009.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco had voted on October 22, 2009, and the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City had voted on October 29 to reestablish the existing rate for discounts and advances (1/2 percent) under the primary credit program (primary credit rate).

Federal Reserve Bank directors noted signs of more positive trends in economic activity. Some directors cited better-than-expected GDP growth, while others reported that industrial production appeared to have stabilized, albeit at low levels. Despite these encouraging developments, most directors remained concerned about the sustainability of any pickup in economic activity. For some directors, ongoing job losses and declining sales of automobiles and new homes in September raised the possibility of a slowdown in the growth of household spending in the fourth quarter. Other directors noted the absence of evidence that the excess capacity in the economy was likely to shrink in the near future. Under these circumstances, and with inflation and inflation expectations at modest levels, directors agreed that the current accommodative stance of monetary policy remained appropriate.

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.

Participating in this determination: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, October 30, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, November 2, 2009.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates; renewal by those Banks of the auction procedure for determining the rate for the Term Auction Facility; and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Approved.
November 2, 2009.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco on October 22, 2009, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City on October 29 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and of the auction procedure for determining the rate for the Term Auction Facility. In addition, the Board approved renewal by the Federal Reserve Bank of New York on October 29 of the formulas for calculating the rates for the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and
Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, October 30, 2009.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and
transmission from Ms. Beattie to the Federal Reserve Bank of
New York, November 2, 2009.