
DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
July 6, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, and San Francisco had voted on June 24, 2010, and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis had voted on July 1 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 Banks of Kansas City and Dallas had voted on June 24 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on June 21, the Board had taken no action on similar requests by the Federal Reserve Banks of Dallas and Kansas City to increase the primary credit rate.

At today's meeting, no sentiment was expressed in favor of considering the primary credit rate, and the existing rate was maintained.

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

Background: Office of the Secretary memorandum, July 2, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, July 6, 2010.

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

Approved.
July 6, 2010.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on

June 24, 2010, and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis on July 1 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 Kohn, Duke, and Tarullo.

Background: Office of the Secretary memorandum, July 2, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, July 6, 2010.

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
July 19, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, and San Francisco had voted on July 8, 2010, and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis had voted on July 15 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 Dallas had voted on July 8 and the directors of the Federal Reserve Bank of Kansas City had voted on July 15 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on July 6, the Board had taken no action on similar requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit rate.

At today's meeting, no sentiment was expressed in favor of considering the primary credit rate, and the existing rate was maintained.

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

Background: Office of the Secretary memorandum, July 16, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, July 19, 2010.

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

Approved.
July 19, 2010.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Dallas, and San Francisco on July 8, 2010, and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, Minneapolis, and Kansas City on July 15 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 Kohn, Duke, and Tarullo.

Background: Office of the Secretary memorandum, July 16, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, July 19, 2010.

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
August 9, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Minneapolis had voted on July 29, 2010, and the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, and San Francisco had voted on August 5 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 July 29 and the directors of the Federal Reserve Bank of Dallas had voted on August 5 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on July 19, the Board had taken no action on similar requests by the Federal Reserve Banks of Dallas and Kansas City to increase the primary credit rate.

Federal Reserve Bank directors noted that recent economic conditions were indicative of a slower pace of recovery in output and employment than had been anticipated. While some directors said that growth in certain sectors, including manufacturing, had been slightly higher than expected, others commented that consumer spending had softened somewhat. The housing sector continued to be depressed, and labor markets remained weak. Overall, directors anticipated only modest near-term economic expansion. With inflation subdued and inflation expectations stable, most directors recommended that the current accommodative stance of monetary policy be maintained.

As another step toward restoring a pre-crisis discount rate structure, some directors supported increasing the primary credit rate by 25 basis points (to 1 percent) at this time. Such an action would result in a 75-basis-point spread between the primary credit rate and the upper end of the Federal Open Market Committee's target range for the federal funds rate. It was emphasized that an increase in this spread would not represent a change in monetary policy, but rather a move toward normalization of 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 meeting of the Federal Open Market Committee tomorrow. 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 and Governors Kohn, Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, August 6, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, August 9, 2010.

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

Approved.
August 9, 2010.

The Board approved renewal by the Federal Reserve Banks of Minneapolis and Kansas City on July 29, 2010, and by the Federal Reserve Banks of Boston, New York,

Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Dallas, and San Francisco on August 5 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 Kohn, Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, August 6, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, August 9, 2010.