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DISCOUNT AND ADVANCE RATES -- Requests by eleven Reserve Banks to maintain the existing rate; request by one Reserve Bank to increase the primary credit rate.

Existing rate maintained.  
November 21, 2011.

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Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Dallas had voted on November 9, 2011; the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, St. Louis, and San Francisco had voted on November 10; and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, and Minneapolis had voted on November 17 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 November 10 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on October 31, the Board had taken no action on a similar request by the Federal Reserve Bank of Kansas City to increase 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 next meeting of the Federal Open Market Committee. 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 Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, November 17, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, November 21, 2011.

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

Approved.  
November 21, 2011.

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The Board approved renewal by the Federal Reserve Bank of Dallas on November 9, 2011; by the Federal Reserve Banks of Boston, Cleveland, Richmond, St. Louis, Kansas City, and San Francisco on November 10; and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, and Minneapolis on November 17 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, Vice Chair Yellen, and  
Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, November 17, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks,  
November 21, 2011.

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DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; request by one Reserve Bank to decrease the primary credit rate; and request by one Reserve Bank to increase the primary credit rate.

Existing rate maintained.  
December 12, 2011.

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Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on December 1, 2011, and the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis, Dallas, and San Francisco had voted on December 8 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 Boston had voted on December 8 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Bank of Kansas City had voted on December 8 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on November 21, the Board had taken no action on a request by the Federal Reserve Bank of Kansas City to increase the primary credit rate.

Federal Reserve Bank directors in favor of maintaining the primary credit rate generally noted moderate growth in overall economic activity. Although the outlook had improved somewhat, directors expected that growth would continue to be gradual and uneven over the coming quarters. Several directors reported further gains in consumer spending and retail sales. Conditions in the labor and housing markets were still a source of concern, despite some hiring activity and positive reports about sales and construction in the multifamily sector. In addition, many directors indicated that uncertainty about global financial markets, the economic outlook, and U.S. regulatory and fiscal policies was contributing to ongoing caution and restraint on the part of consumers and businesses. Inflationary pressures had eased from earlier in the year, and longer-term inflation expectations had remained stable. Against this backdrop, most directors recommended that the current primary credit rate be maintained.

Other Federal Reserve Bank directors favored changing the primary credit rate. On the one hand, some directors supported decreasing the primary credit rate by 25 basis points (to 1/2 percent) as a technical adjustment to better align the rate with the recently reduced charges on the Federal Reserve's dollar liquidity swap arrangements with major foreign central banks. On the other hand, some directors supported increasing the primary credit rate by 25 basis points (to 1 percent), and the spread between the rate and the upper end of the target range for the federal funds rate to 75 basis points, as a move toward restoring the 100-basis-point spread in the pre-crisis discount rate structure. Directors also pointed to current and anticipated economic conditions as reasons to decrease or increase 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, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, December 9, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, December 12, 2011.

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

Approved.  
December 12, 2011.

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The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on December 1, 2011, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on December 8 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, Vice Chair Yellen, and  
Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, December 9, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks,  
December 12, 2011.