
Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

Statement on Use of the Discount Window

Federal Reserve lending to depository institutions (the “discount window”) plays an important role in supporting the liquidity and stability of the banking system and the effective implementation of monetary policy. By providing ready access to a backup source of funding, the discount window helps depository institutions manage their liquidity risks efficiently and avoid actions that have negative consequences for their customers, such as withdrawing credit during times of market stress. Thus, the discount window supports the smooth flow of credit to households and businesses. Providing liquidity in this way is one of the original purposes of the Federal Reserve System and other central banks around the world.

The Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency encourage depository institutions to use the discount window to meet demands for credit from households and businesses at this time.