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

**Existing rate maintained.
January 29, 2007.**

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 January 18, 2007, and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco had voted on January 25 to reestablish the existing rate for discounts and advances (6-1/4 percent) under the primary credit program (primary credit rate).

Directors generally expected the economy to continue to expand at a moderate pace, although some expressed uncertainty about the effect of the housing sector on the economic outlook. Most viewed core inflation as remaining somewhat elevated, with several directors noting that monetary policy may eventually need to be tightened further to foster a reduction in inflation at an appropriate pace over time. They agreed that the stance of monetary policy should remain unchanged for now and that incoming data on economic activity and inflation should be monitored closely.

At today's meeting, no sentiment was expressed in favor of considering the primary credit rate before tomorrow's meeting of the Federal Open Market Committee, and the existing rate was maintained.

Participating in this determination: Chairman Bernanke, Vice Chairman Kohn, and Governors Bies, Warsh, Kroszner, and Mishkin.

Background: Office of the Secretary memorandum, January 26, 2007.

Implementation: Wire from Ms. Johnson to the Reserve Banks, January 29, 2007.

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

**Approved.
January 29, 2007.**

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on January 18, 2007, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on January 25 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 Chairman Kohn, and
Governors Bies, Warsh, Kroszner, and Mishkin.**

Background: Office of the Secretary memorandum, January 26, 2007.

Implementation: Wire from Ms. Johnson to the Reserve Banks, January 29, 2007.