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**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.**

**Approved.  
May 21, 2007.**

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The Board approved the establishment without change of the rate for discounts and advances under the primary credit program (6-1/4 percent) by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on May 10, 2007, and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on May 17. 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.

**Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.**

**Background:** Office of Secretary memorandum, May 18, 2007.

**Implementation:** Wire from Ms. Johnson to the Reserve Banks, May 21, 2007.

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

**Existing rate maintained.  
June 25, 2007.**

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Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco had voted on June 14, 2007, and the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, and Chicago had voted on June 21 to reestablish the existing rate for discounts and advances (6-1/4 percent) under the primary credit program (primary credit rate).

Directors by and large expected real GDP growth to pick up to a moderate pace over the remainder of the year. Directors considered it likely that business investment would begin to strengthen soon, buoying overall economic growth, but they noted that activity in the housing market was continuing to contract and cautioned that the housing sector posed a downside risk to economic performance. Some directors noted that while core consumer inflation appeared to have improved in recent months, relatively tight labor markets represented an upside risk to their expectation that core inflation would moderate over time. In these circumstances, directors believed that the best course was to maintain the current stance of monetary policy and continue to monitor closely incoming data.

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

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

**Background:** Office of Secretary memorandum, June 22, 2007.

**Implementation:** Wire from Ms. Johnson to the Reserve Banks, June 25, 2007.

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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.**  
**June 25, 2007.**

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The Board approved renewal by the Federal Reserve Banks of Cleveland, Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on June 14, 2007, and by the Federal Reserve Banks of Boston, New York, Philadelphia, and Chicago on June 21 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 Warsh, Kroszner, and Mishkin.**

**Background:** Office of Secretary memorandum, June 22, 2007.

**Implementation:** Wire from Ms. Johnson to the Reserve Banks, June 25, 2007.