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

Existing rate maintained.
August 18, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on August 14, 2008, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/2 percent (an increase from 2-1/4 percent). The directors of the Federal Reserve Banks of New York, Philadelphia, and Chicago had voted on August 7 and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, St. Louis, Minneapolis, and San Francisco had voted on August 14 to maintain the existing rate. At its meeting on August 4, the Board had taken no action on requests by the Federal Reserve Banks of Chicago, 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, Vice Chairman Kohn, and Governors Kroszner and Duke.

Background: Office of the Secretary memorandum, August 15, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 18, 2008.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility.

Approved.
August 18, 2008.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, and Chicago on August 7, 2008, and by the Federal Reserve Banks of

Boston, Cleveland, Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on August 14 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and renewal of the auction procedure for determining the rate for the Term Auction Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and
Governors Kroszner and Duke.

Background: Office of the Secretary memorandum, August 15, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 18, 2008.

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

Existing rate maintained.
September 2, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on August 28, 2008, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/2 percent (an increase from 2-1/4 percent). The directors of the Federal Reserve Banks of New York, Philadelphia, Chicago, and Minneapolis had voted on August 21 and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, St. Louis, and San Francisco had voted on August 28 to maintain the existing rate. At its meeting on August 18, 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, Vice Chairman Kohn,
and Governors Warsh and Duke.

Background: Office of the Secretary memorandum, August 29, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 2, 2008.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility.

Approved.
September 2, 2008.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, Chicago, and Minneapolis on August 21, 2008, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, Dallas, and San Francisco on August 28 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and renewal of the auction procedure for determining the rate for the Term Auction Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh and Duke.

Background: Office of the Secretary memorandum, August 29, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 2, 2008.

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

Existing rate maintained.
September 15, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Kansas City had voted on September 11, 2008, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/2 percent (an increase from 2-1/4 percent). The directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on September 4 and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Dallas, and San Francisco had voted on September 11 to maintain the existing rate. At its meeting on September 2, the Board had taken no action on requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit rate.

Federal Reserve Bank directors in favor of maintaining the existing primary credit rate noted downside and upside risks in the economic outlook. Some directors concluded that declining real consumer spending had recently diminished the prospects for economic growth, while others pointed to increased weakness in the labor market and lower growth prospects among international trading partners as suggesting downside risks to growth. Several directors also noted that tight credit conditions and the ongoing housing contraction served to intensify downside risks. At the same time, directors remained concerned by the upside risks to inflation. In these circumstances, they preferred to monitor developments closely for now before recommending a change in the stance of monetary policy.

Federal Reserve Bank directors supporting a 25-basis-point increase in the primary credit rate recognized the downside risks to the economic outlook. Nevertheless, they believed that these risks were outweighed by increasing inflation risks and the danger of higher inflation expectations, and they favored removing some of the current policy accommodation.

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 the subject of 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 Chairman Kohn, and Governors Warsh, Kroszner, and Duke.

Background: Office of the Secretary memorandum, September 12, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 15, 2008.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility.

Approved.
September 15, 2008.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on September 4, 2008, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City,

Dallas, and San Francisco on September 11 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and renewal of the auction procedure for determining the rate for the Term Auction Facility.

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

Background: Office of the Secretary memorandum, September 12, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 15, 2008.