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

Existing rate maintained.
November 23, 2015.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and Chicago had voted on November 19, 2015, 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 Minneapolis had voted on November 12 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Banks of Cleveland, St. Louis, Dallas, and San Francisco had voted on November 12, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Richmond, Atlanta, and Kansas City had voted on November 19, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on October 26, the Board had taken no action on similar requests by the Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, Dallas, and San Francisco Reserve Banks to increase, and by the Minneapolis Reserve Bank to decrease, 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: Chair Yellen, Vice Chairman Fischer, and Governors Powell and Brainard.

Background: Office of the Secretary memorandum, November 20, 2015.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, November 23, 2015.

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

Approved.
November 23, 2015.

The Board approved renewal by the Federal Reserve Banks of Cleveland, St. Louis, Minneapolis, Dallas, and San Francisco on November 12, 2015, and by the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Atlanta, Chicago, and Kansas City on November 19, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen, Vice Chairman Fischer, and Governors Powell and Brainard.

Background: Office of the Secretary memorandum, November 20, 2015.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, November 23, 2015.

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

Existing rate maintained.
December 14, 2015.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and Minneapolis had voted on December 3, 2015, 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 Banks of Boston, Philadelphia, Chicago, and St. Louis had voted on December 3, and the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Kansas City, Dallas, and San Francisco had voted on December 10, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on November 23, the Board had taken no action on requests by the Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, Dallas, and San Francisco Reserve Banks to increase, and by the Minneapolis Reserve Bank to decrease, the primary credit rate.

Federal Reserve Bank directors generally judged that economic activity was advancing at a moderate pace, although reports were somewhat mixed across different sectors and Districts. Growth in consumer spending was solid in most parts of the country, with online sales and spending on autos particularly strong. Many directors noted favorable conditions in housing markets and increased construction activity, particularly for multifamily housing. However, manufacturing activity remained sluggish, and exports continued to lag. Most directors reported sustained improvements in labor

market conditions, and the unemployment rate had declined further. Directors pointed to recruiting difficulties and increasing wage pressures in certain sectors and parts of the country, particularly for highly skilled jobs. Inflation, however, remained below the Federal Reserve's 2 percent objective, reflecting in part the temporary effects of lower energy prices.

Against this backdrop, some Federal Reserve Bank directors favored maintaining the current primary credit rate, noting in particular that inflation remained below the Federal Reserve's objective and that the degree of slack in the labor market was uncertain at this time. However, other Federal Reserve Bank directors recommended increasing the primary credit rate (to 1 percent), in light of the improvements in labor market conditions this year and an expectation that inflation would rise gradually toward the Federal Reserve's 2 percent objective. Most directors supporting an increase favored a gradual adjustment to the stance of monetary policy in light of the current rate of inflation, which remained significantly below the Federal Reserve's 2 percent objective, and the actual and anticipated effects of global economic and financial developments on inflation and economic activity.

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 this week. No sentiment was expressed for changing the primary credit rate before the Committee's meeting, and the existing rate was maintained. Thereafter, a discussion of economic and financial developments and issues related to possible policy actions took place.

Participating in this determination: Chair Yellen, Vice Chairman Fischer,
and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, December 11, 2015.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks,
December 14, 2015.

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

Approved.
December 14, 2015.

The Board approved renewal by the Federal Reserve Banks of Boston, New York, Philadelphia, Chicago, St. Louis, and Minneapolis on December 3, 2015, and by the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Kansas City, Dallas, and San Francisco on December 10, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen, Vice Chairman Fischer, and
Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, December 11, 2015.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks,
December 14, 2015.

MONETARY POLICY IMPLEMENTATION -- Increase in the interest rate on reserve balances; increase in discount and advance rates.

Approved.
December 16, 2015.

In a joint meeting of the Federal Open Market Committee and the Board today, the Committee had decided to raise the target range for the federal funds rate by 25 basis points, to 1/4 percent to 1/2 percent, effective December 17, 2015. To support the Committee's decision to raise the target range for the federal funds rate, the Board approved raising the interest rate paid on required and excess reserve balances from 1/4 percent to 1/2 percent, effective December 17, 2015. The Board also acted on requests by ten Reserve Banks to increase the rate for discounts and advances under the primary credit program (primary credit rate).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Philadelphia, Chicago, and St. Louis had voted on December 3, and the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Kansas City, Dallas, and San Francisco had voted on December 10, to establish a primary credit rate of 1 percent (an increase from 3/4 percent). At its meeting on December 14, the Board had considered, but had taken no action on, the requests to increase the primary credit rate. At today's meeting, there was consensus for a 25-basis-point increase, and the Board approved an increase in the primary credit rate from 3/4 percent to 1 percent, effective December 17, 2015, for the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco.

It was understood that a press release and an accompanying document on monetary policy implementation would be issued to announce the increases in the interest rate on reserve balances and the primary credit rate. In addition, the Secretary was authorized to inform the remaining Reserve Banks, on their establishment of a primary credit rate of 1 percent, of the Board's approval and determination, effective on the later of December 17, 2015, and the date such Reserve Banks informed the Secretary of such a request. (NOTE: Subsequently, the Secretary informed the Federal Reserve Banks of New York and Minneapolis of the Board's approval of their establishment of a primary credit rate of 1 percent, effective December 17, 2015.)

Voting for these actions: Chair Yellen, Vice Chairman Fischer, and
Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, December 11, 2015.

Implementation: Press release with attached Decisions Regarding Monetary Policy Implementation, December 16; press releases, December 16 and 17; transmissions from Mr. Frierson to the Reserve Banks, December 16 and 17; and Federal Register documents (Docket Nos. R-1527 and R-1528), December 17 and 18, 2015.