
Discount and Advance Rates – Requests by twelve Reserve Banks to maintain the existing primary credit rate; requests to renew secondary and seasonal credit formulas.

**Existing rate and formulas approved.
January 20, 2026.**

Today, Board members discussed economic and financial developments and issues related to possible policy actions. In connection with this discussion, Board members considered discounts and advances made under the primary credit program (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 joint meeting of the Board and the Federal Open Market Committee next week.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Atlanta had voted on January 8, 2026, and the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco had voted on January 15, to establish the primary credit rate at the existing level of 3.75 percent.

Overall, Federal Reserve Bank directors reported stable economic conditions and were generally positive about the outlook. Most directors said employers in their Districts were maintaining headcounts and that layoffs to date had been limited. Some directors noted that easing labor market conditions, including strong labor availability and low turnover rates, were helping to alleviate wage pressures. However, most directors cited budget pressures from rising healthcare costs. Most directors reported sustained business investments in technology and artificial intelligence to promote efficiency and productivity. Many directors noted the ongoing economic effects of tariff-related price increases and some noted challenges associated with passing through higher costs to consumers. Several directors commented on continued economic stress for low-income households.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 3.75 percent. The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for this action: Vice Chair Jefferson, Vice Chair for Supervision Bowman, and Governors Waller, Barr, and Miran. Absent: Chair Powell and Governor Cook.

Background: Office of the Secretary memorandum, January 16, 2026.

Implementation: Transmissions from Mr. McDonough to the Reserve Banks, January 20, 2026.

Monetary Policy Implementation – Interest on reserve balances rate unchanged; rates on discounts and advances unchanged; renewal of secondary and seasonal credit formulas.

Approved.
January 28, 2026.

In a joint meeting of the Federal Open Market Committee (FOMC) and the Board today, the FOMC decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, effective January 29, 2026. Consistent with the FOMC's decision to leave the federal funds rate unchanged, the Board approved maintaining the interest rate paid on reserve balances at 3.65 percent, effective January 29, 2026. At today's meeting, the Board also approved the establishment of the interest rate on discounts and advances made under the primary credit program (the primary credit rate) at the existing level (3.75 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Richmond, Atlanta, and Dallas had voted on January 22, 2026, to establish the primary credit rate at 3.75 percent. No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 3.75 percent.

The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for these actions: Chair Powell, Vice Chair Jefferson, Vice Chair for Supervision Bowman, and Governors Waller, Cook, Barr, and Miran.

Background: Office of the Secretary memorandum, January 23, 2026.

Implementation: FOMC statement (with attached implementation note) and transmissions from Mr. McDonough to the Reserve Banks, January 28, 2026.