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

Approved.
June 8, 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 Banks of New York, Richmond, Kansas City, and Dallas had voted on May 28, 2026, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, and San Francisco had voted on June 4, to establish the primary credit rate at the existing level of 3.75 percent.

Overall, Federal Reserve directors reported that economic conditions were steady or resilient. Hiring activity remained low but stable across most Districts, and many directors noted the growing impact of artificial intelligence on current and future employment levels. Input cost pressures persisted—particularly for fuel prices and surcharges—and directors reported mixed ability among firms to pass those expenses through to customers. Directors across most Districts cited ongoing uncertainty from global developments, which continued to weigh on business spending and hiring decisions.

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: Chairman Warsh, Vice Chair Jefferson, Vice Chair for Supervision Bowman, and Governors Powell, Waller, Cook, and Barr.

Background: Office of the Secretary memorandum, June 5, 2026.

Implementation: Transmissions from Mr. McDonough to the Reserve Banks, June 8, 2026.

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

Approved.
June 17, 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 June 18, 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 June 18, 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 New York, Richmond, Atlanta, Kansas City, and Dallas had voted on June 11, 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: Chairman Warsh, Vice Chair Jefferson, Vice Chair for Supervision Bowman, and Governors Powell, Waller, Cook, and Barr.

Background: Office of the Secretary memorandum, June 12, 2026.

Implementation: FOMC statement (with attached implementation note) and transmissions from Mr. McDonough to the Reserve Banks, June 17, 2026.