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

Existing rate and formulas approved.
July 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 Banks of New York, Richmond, Atlanta, Kansas City, and Dallas had voted on July 9, 2026, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Chicago, St. Louis, and San Francisco had voted on July 16, to establish the primary credit rate at the existing level of 3.75 percent. The directors of the Federal Reserve Banks of Cleveland and Minneapolis had voted on July 16, 2026, to establish the primary credit rate at 4 percent (an increase from 3.75 percent).

Overall, Federal Reserve Bank directors reported stable economic conditions. Employment levels remained steady across most Districts, though several directors noted hiring challenges for certain skilled positions. Most directors highlighted continuing artificial intelligence investments, particularly those focused on enhancing productivity and efficiency. Many directors described steady demand, high credit availability, and stable credit quality in commercial lending. Several directors commented on elevated inflation and noted that consumers were becoming increasingly price conscious. In addition, most directors cited rising fuel prices and surcharges stemming from global events.

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, July 17, 2026.

Implementation: Transmissions from Mr. McDonough to the Reserve Banks, July 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.
July 29, 2026.

In a joint meeting of the Board and the Federal Open Market Committee (FOMC) today, the FOMC decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, effective July 30, 2026. To support the FOMC's decision to leave the target range for the federal funds rate unchanged, the Board approved maintaining the interest rate paid on reserve balances at 3.65 percent, effective July 30, 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 of 3.75 percent.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Richmond, and Atlanta had voted on July 23, 2026, to establish the primary credit rate at 3.75 percent. The directors of the Federal Reserve Banks of Cleveland and Minneapolis had voted on July 16, 2026, and the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on July 23, to establish the primary credit rate at 4 percent (an increase from 3.75 percent). At its meeting on July 20, 2026, the Board had taken no action on requests by the directors of the Cleveland and Minneapolis Reserve Banks to increase the primary credit rate. 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, July 24, 2026.

Implementation: FOMC statement (with attached implementation note) and transmissions from Mr. McDonough to the Reserve Banks, July 29, 2026.