
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 rates.

**Existing rate and formulas approved.
August 17, 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 next joint meeting of the Board and the Federal Open Market Committee.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Richmond, Atlanta, and Dallas had voted on August 6, 2026, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Chicago, St. Louis, Minneapolis, and San Francisco had voted on August 13, to establish the primary credit rate at the existing level of 3.75 percent. The directors of the Federal Reserve Bank of Kansas City had voted on August 6, 2026, and the directors of the Federal Reserve Bank of Cleveland had voted on August 13, to establish the primary credit rate at 4 percent (an increase from 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 this action: Chairman Warsh, Vice Chair for Supervision Bowman, and Governors Waller, Cook, Powell, and Barr. Absent: Vice Chair Jefferson.

Background: Office of the Secretary memorandum, August 14, 2026.

Implementation: Transmissions from Mr. McDonough to the Reserve Banks, August 17, 2026.

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

**Existing rate and formulas approved.
September 9, 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 Boston, New York, Philadelphia, Richmond, Atlanta, St. Louis, Dallas, and San Francisco had voted on September 3, 2026, to establish the primary credit rate at the existing level of 3.75 percent. The directors of the Federal Reserve Banks of Cleveland, Chicago, Minneapolis, and Kansas City had voted on September 3, 2026, to establish the primary credit rate at 4 percent (an increase from 3.75 percent). At its meeting on August 17, 2026, the Board had taken no action on requests from directors of the Cleveland and Kansas City Reserve Banks to increase the primary credit rate.

Overall, Federal Reserve Bank directors reported stable economic conditions. Labor markets were also generally characterized as stable, with adequate labor supply and moderate wage pressures. However, hiring difficulties and elevated wages for certain skilled positions persisted in most Districts, including for jobs related to firms' artificial intelligence (AI) strategies and the construction of data centers. Most directors observed input cost pressures from many sources, including oil and fuel prices, tariffs, rising healthcare expenses, and competition for resources and supplies with the AI buildout.

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 and Barr.
Absent: Governors Waller and Cook.**

Background: Office of the Secretary memorandum, September 4, 2026.

Implementation: Transmissions from Mr. McDonough to the Reserve Banks,
September 9, 2026.

**Monetary Policy Implementation -- Increase in the interest on reserve balances
rate and in the primary credit rate; renewal of the secondary and seasonal
credit formulas.**

**Approved.
September 16, 2026.**

In a joint meeting of the Board and the Federal Open Market Committee (FOMC) today, the FOMC decided to raise the target range for the federal funds rate 25 basis points, to 3-3/4 to 4 percent, effective September 17, 2026. To support the FOMC's decision to raise the target range for the federal funds rate, the Board approved raising the interest rate paid on reserve balances from 3.65 percent to 3.9 percent, effective September 17, 2026. At today's meeting, the Board also approved raising the interest rate on discounts and advances made under the primary credit program (the primary credit rate) to 4 percent.

Subject to review and determination by the Board of Governors, the directors of seven Federal Reserve Banks had voted to establish an increase in the primary credit rate. The directors of the Federal Reserve Banks of Cleveland, Chicago, and Minneapolis had voted on September 3, 2026, and the directors of the Federal Reserve Banks of Richmond, Atlanta, Kansas City, and Dallas had voted on September 10, to establish a primary credit rate of 4 percent (an increase from 3.75 percent). At its meeting on September 9, 2026, the Board had taken no action on requests by the directors of the Cleveland, Chicago, Minneapolis, and Kansas City Reserve Banks 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 3.75 percent to 4 percent, effective September 17, 2026, for the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas. 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.

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 on reserve balances and the primary credit rates. In addition, the Secretary was authorized to inform the remaining Federal Reserve Banks, on their establishment of a primary credit rate of 4 percent, of the Board's approval and determination, effective on the later of September 17, 2026, or the date the Reserve Bank informed the Secretary of its request. (Note: Subsequently, the Secretary informed the Boston, New York, Philadelphia, St. Louis, and San Francisco Reserve Banks of the Board's approval of their establishment of a primary credit rate of 4 percent, effective September 17, 2026.)

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, September 11, 2026.

Implementation: FOMC statement (with attached implementation note) and transmissions from Mr. McDonough to the Reserve Banks, September 16, 2026.