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

Existing rate and formulas approved.
October 19, 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 Richmond, Atlanta, Kansas City, and Dallas had voted on October 8, 2026, and the directors of the Federal Reserve Banks of New York, Philadelphia, and San Francisco had voted on October 15, to establish the primary credit rate at the existing level of 4 percent. The directors of the Federal Reserve Banks of Boston, Cleveland, Chicago, St. Louis, and Minneapolis had voted on October 15, 2026, to establish the primary credit rate at 4.25 percent (an increase from 4 percent).

Overall, Federal Reserve Bank directors reported stable economic activity. Labor market conditions were also characterized as stable, although some specialized jobs remained difficult to fill. Rising costs for construction, energy, transportation, and technology continued to put pressure on certain sectors. In banking, most directors reported that higher interest rates had dampened loan demand. Several directors observed that inflation remained elevated, with some noting signs of price-sensitive consumer behavior.

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 4 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 Cook.
Absent: Governors Waller and Barr.

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

Implementation: Transmissions from Mr. McDonough to the Reserve Banks, October 19, 2026.

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

Approved.
October 28, 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 3-3/4 to 4 percent, effective October 29, 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 3.90 percent, effective October 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 of 4 percent.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Atlanta had voted on October 22, 2026, to establish the primary credit rate at 4 percent. The directors of the Federal Reserve Banks of Boston, Cleveland, Chicago, St. Louis, and Minneapolis had voted on October 15, 2026, and the directors of the Federal Reserve Banks of Richmond, Kansas City, and Dallas had voted on October 22, to establish the primary credit rate at 4.25 percent (an increase from 4 percent). At its meeting on October 19, 2026, the Board had taken no action on requests by the directors of the Boston, Cleveland, Chicago, St. Louis, 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 4 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, October 23, 2026.

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