DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
April 4, 2011.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, and San Francisco had voted on March 24, 2011, and the directors of the Federal Reserve Banks of New York, Chicago, and Minneapolis had voted on March 31 to reestablish the existing rate for discounts and advances (3/4 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Kansas City and Dallas had voted on March 24 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on March 14, the Board had taken no action on similar requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit rate.

At today's meeting, no sentiment was expressed in favor of considering the primary credit rate, and the existing rate was maintained.

Participating in this determination: Chairman Bernanke, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, April 1, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, April 4, 2011.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates.

Approved.
April 4, 2011.

The Board approved renewal by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, Dallas, and San Francisco on March 24, 2011, and by the Federal Reserve Banks of New York, Chicago, and Minneapolis on March 31 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chairman Bernanke, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, April 1, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, April 4, 2011.

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
April 25, 2011.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, and San Francisco had voted on April 14, 2011, and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis had voted on April 21 to reestablish the existing rate for discounts and advances (3/4 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Kansas City and Dallas had voted on April 14 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on April 4, the Board had taken no action on similar requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit rate.

Federal Reserve Bank directors generally noted that although the economic recovery was progressing, they were cautious about the economic outlook. Some directors reported increases in consumer and business spending; gains were also noted in the manufacturing and agricultural sectors. Labor market conditions had continued to improve modestly, although many directors said unemployment was still higher than desired. The housing sector remained weak, and some directors noted that recent housing starts were lower than anticipated. Other directors pointed to considerable slack remaining in the economy and ongoing downside risks to the economic outlook. Those risks included rising commodity and energy prices, which had the potential to dampen consumer spending, and increased fiscal stringency at all levels of government. Higher energy and other commodity prices had recently pushed up inflation. This increase was generally not expected to be sustained, although a number of directors saw upside risks to the inflation outlook. Against this backdrop, most directors recommended that the current accommodative stance of monetary policy be maintained.

As another step toward restoring a pre-crisis discount rate structure, some directors supported increasing the primary credit rate by 25 basis points (to 1 percent) at this time. Such an action would result in a 75-basis-point spread between the primary credit rate and the upper end of the Federal Open Market Committee's target range for the federal funds rate. These directors favored a move toward normalization of the primary credit rate in light of current and anticipated economic conditions.

Today, Board members considered 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 meeting of the Federal Open Market Committee this week. No sentiment was expressed for changing the primary credit rate before the Committee's meeting, and the existing rate was maintained.

Participating in this determination: Chairman Bernanke, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, April 22, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, April 25, 2011.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates.

Approved.
April 25, 2011.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on April 14, 2011, and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis on April 21 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chairman Bernanke, Vice Chair Yellen, and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, April 22, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, April 25, 2011.