
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.
July 11, 2011.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Atlanta and Minneapolis had voted on June 30, 2011, and the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, and San Francisco had voted on July 7 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 Bank of Kansas City had voted on June 30 and the directors of the Federal Reserve Bank of Dallas had voted on July 7 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on June 20, 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 and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, July 8, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, July 11, 2011.

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

Approved.
July 11, 2011.

The Board approved renewal by the Federal Reserve Banks of Atlanta, Minneapolis, and Kansas City on June 30, 2011, and by the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Chicago, St. Louis, Dallas, and San Francisco on July 7 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 and Governors Duke, Tarullo, and Raskin.

Background: Office of the Secretary memorandum, July 8, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, July 11, 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.
July 25, 2011.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Atlanta, St. Louis, and San Francisco had voted on July 14, 2011, and the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Chicago, and Minneapolis had voted on July 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 Bank of Kansas City had voted on July 14 and the directors of the Federal Reserve Bank of Dallas had voted on July 21 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on July 11, 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 and Governors Duke, Tarullo, and Raskin.

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

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

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

Approved.
July 25, 2011.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Atlanta, St. Louis, Kansas City, and San Francisco on July 14, 2011, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Chicago, Minneapolis, and Dallas on July 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 and Governors Duke, Tarullo, and Raskin.

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

Implementation: Transmissions from Ms. Johnson to the Reserve Banks,
July 25, 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.
August 8, 2011.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, St. Louis, and San Francisco had voted on July 28, 2011, and the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, and Minneapolis had voted on August 4 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 Bank of Kansas City had voted on July 28 and the directors of the Federal Reserve Bank of

Dallas had voted on August 4 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on July 25, 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 reported that economic growth had been weak in recent months. Many noted increased uncertainty about the likely pace of improvement in the economy over coming quarters, and some pointed to downside risks to the outlook. Most directors observed that consumer spending and sentiment had weakened, particularly among middle- to low-income consumers. Unemployment was elevated, and employment prospects remained limited. Directors also noted the ongoing drag on the economy from the still-depressed housing sector, as well as the negative effect of uncertainty about European and U.S. fiscal matters. In general, directors said the recent economic slowdown reflected, at least in part, transitory factors. Even after those factors had dissipated, however, directors expected that any rebound in growth would likely be weaker than previously thought. Higher prices for energy and other commodities had pushed up inflation earlier this year, but inflation had moderated more recently as those prices stabilized or declined. Longer-term inflation expectations had remained stable. Against this backdrop, most directors recommended that the current primary credit rate 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 tomorrow. 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, August 5, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, August 8, 2011.

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

Approved.
August 8, 2011.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Kansas City, and San Francisco on July 28, 2011, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Dallas on August 4 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, August 5, 2011.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks,
August 8, 2011.