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DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; request by one Reserve Bank to decrease the primary credit rate; and request by one Reserve Bank to increase the primary credit rate.

Existing rate maintained.  
September 24, 2012.

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Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, St. Louis, Minneapolis, and Dallas had voted on September 13, 2012; the directors of the Federal Reserve Bank of San Francisco had voted on September 14; and the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, and Chicago had voted on September 20 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 Boston had voted on September 14 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Bank of Kansas City had voted on September 20 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on September 10, the Board had taken no action on similar requests by the Federal Reserve Bank of Boston to decrease and by the Federal Reserve Bank of Kansas City 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, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, September 21, 2012.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, September 24, 2012.

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

Approved.  
September 24, 2012.

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The Board approved renewal by the Federal Reserve Banks of Cleveland, St. Louis, Minneapolis, and Dallas on September 13, 2012; by the Federal Reserve Banks of Boston and San Francisco on September 14; and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, and Kansas City on September 20 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, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, September 21, 2012.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks,  
September 24, 2012.

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DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; request by one Reserve Bank to decrease the primary credit rate; and request by one Reserve Bank to increase the primary credit rate.

Existing rate maintained.  
October 22, 2012.

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Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Richmond, and St. Louis had voted on October 11, 2012; the directors of the Federal Reserve Bank of Dallas had voted on October 17; and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, Minneapolis, and San Francisco had voted on October 18 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 Boston had voted on October 11 to establish a rate of 1/2 percent (a decrease from 3/4 percent). The directors of the Federal Reserve Bank of Kansas City had voted on October 11 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on September 24, the Board had taken no action on similar requests by the Federal Reserve Bank of Boston to decrease and by the Federal Reserve Bank of Kansas City to increase the primary credit rate.

Federal Reserve Bank directors noted that economic activity in specific sectors had been mixed, and directors generally maintained their outlook for moderate economic growth over the coming months. Most directors observed further signs of

recovery in the housing sector, including growth in construction and sales, although the recent improvements were from low levels of activity. Several directors also reported that consumer spending had picked up, most notably for automobiles, and some directors said performance in the energy and agricultural sectors had remained strong. Manufacturing activity, however, was generally judged to have weakened. Directors noted that businesses continued to be cautious about hiring and investing, largely in response to domestic fiscal and regulatory uncertainty and downside risks associated with strains in global financial markets. Aside from some recent increases in energy prices, inflation was generally seen as subdued. Longer-term inflation expectations remained stable overall. Against this backdrop, most directors recommended that the current primary credit rate be maintained.

However, other Federal Reserve Bank directors viewed current and anticipated economic conditions as warranting either an increase or a decrease in the primary credit rate. Some directors favored decreasing the rate by 25 basis points (to 1/2 percent), while other directors favored increasing the rate by 25 basis points (to 1 percent). In part, directors viewed an increase, which would widen the spread between the primary credit rate and the upper end of the target range for the federal funds rate to 75 basis points, as a move toward restoring the 100-basis-point spread in the pre-crisis discount rate structure.

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. Thereafter, a discussion of economic and financial developments and issues related to possible policy actions took place. (NOTE: Vice Chair Yellen was not present for this discussion.)

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

Background: Office of the Secretary memorandum, October 19, 2012.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 22, 2012.

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

Approved.  
October 22, 2012.

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The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, St. Louis, and Kansas City on October 11, 2012; by the Federal Reserve Bank of Dallas on October 17; and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, Chicago, Minneapolis, and San Francisco on October 18 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, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, October 19, 2012.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks,  
October 22, 2012.