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.
January 14, 2013.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, and Minneapolis had voted on January 3, 2013, and the directors of the Federal Reserve Banks of Cleveland, St. Louis, Dallas, and San Francisco had voted on January 10 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 January 10 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 January 3 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on December 10, 2012, 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: Vice Chair Yellen and Governors Duke, Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, January 11, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, January 14, 2013.

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

Approved.
January 14, 2013.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City on January 3, 2013, and by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco on January 10 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Vice Chair Yellen and Governors Duke, Tarullo, Raskin, Stein, and Powell.

Background: Office of the Secretary memorandum, January 11, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, January 14, 2013.

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.
January 28, 2013.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Richmond, Chicago, and St. Louis had voted on January 17, 2013, and the directors of the Federal Reserve Banks of Philadelphia, Cleveland, Atlanta, Minneapolis, Dallas, and San Francisco had voted on January 24 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 January 24 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 January 17 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on January 14, 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.

In general, Federal Reserve Bank directors viewed the pace of economic growth as modest. Some directors noted continued improvement in the housing sector and increases in consumer spending. However, unemployment remained elevated, and ongoing fiscal and regulatory uncertainties continued to weigh on business investment and hiring and on economic growth more generally. Directors continued to see downside risks to the outlook, although some saw the risks as being diminished. Apart from fluctuations in prices for oil and other commodities in recent months, inflation was seen as subdued. Longer-term inflation expectations remained stable. 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, January 25, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, January 28, 2013.

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

Approved.
January 28, 2013.

The Board approved renewal by the Federal Reserve Banks of New York, Richmond, Chicago, St. Louis, and Kansas City on January 17, 2013, and by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Atlanta, Minneapolis, Dallas, and San Francisco on January 24 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, January 25, 2013.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, January 28, 2013.