DISCOUNT AND ADVANCE RATES -- Requests by nine Reserve Banks to maintain the existing rate and requests by three Reserve Banks to increase the primary credit rate.

Existing rate maintained.
November 24, 2014.

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 November 13, 2014, and the directors of the Federal Reserve Banks of New York, Richmond, Atlanta, Chicago, and Minneapolis had voted on November 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 Dallas had voted on November 13, and the directors of the Federal Reserve Banks of Philadelphia and Kansas City had voted on November 20, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on October 27, the Board had taken no action on similar requests by the Federal Reserve Banks of Philadelphia, 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: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo and Powell.

Background: Office of the Secretary memorandum, November 21, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, November 24, 2014.

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

Approved.
November 24, 2014.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, St. Louis, Dallas, and San Francisco on November 13, 2014, and by the Federal Reserve Banks of New York, Philadelphia, Richmond, Atlanta, Chicago, Minneapolis, and Kansas City on November 20, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo and Powell.

Background: Office of the Secretary memorandum, November 21, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, November 24, 2014.

DISCOUNT AND ADVANCE RATES -- Requests by nine Reserve Banks to maintain the existing rate and requests by three Reserve Banks to increase the primary credit rate.

Existing rate maintained.
December 15, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, New York, Richmond, Chicago, and St. Louis had voted on December 4, 2014, and the directors of the Federal Reserve Banks of Cleveland, Atlanta, Minneapolis, and San Francisco had voted on December 11, 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 Philadelphia had voted on December 4, and the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on December 11, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on November 24, the Board had taken no action on similar requests by the Federal Reserve Banks of Philadelphia, Kansas City, and Dallas to increase the primary credit rate.

Federal Reserve Bank directors continued to note improvements in economic conditions, and they generally were more confident about economic growth going forward. Directors reported an increase in consumer spending, including brisk auto sales in some Districts, and commented that lower energy prices could potentially boost spending further. Some directors also observed modest gains in residential real estate activity and stronger growth in commercial lending and construction. Other directors, however, regarded foreign economic developments as a potential risk to domestic economic activity. Overall, labor market conditions had improved, and several directors noted emerging wage pressures, particularly for jobs with specialized skills. Nonetheless, inflation continued to run below the Federal Reserve's 2 percent objective, in part because of recent declines in energy prices. 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 their outlook for economic and financial conditions, as well as their assessments of the risks to that outlook.

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.

Participating in this determination: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, December 12, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, December 15, 2014.

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

Approved.
December 15, 2014.

The Board approved renewal by the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Chicago, and St. Louis on December 4, 2014, and by the Federal Reserve Banks of Cleveland, Atlanta, Minneapolis, Kansas City, Dallas, and San Francisco on December 11, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, December 12, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, December 15, 2014.