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

Existing rate maintained.
August 29, 2016.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Atlanta and Chicago had voted on August 18, 2016, and the directors of the Federal Reserve Banks of New York and Minneapolis had voted on August 25, to reestablish the existing rate for discounts and advances (1 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Philadelphia, St. Louis, and Kansas City had voted on August 18, and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Dallas, and San Francisco had voted on August 25, to establish a rate of 1-1/4 percent (an increase from 1 percent). At its meeting on July 25, the Board had taken no action on similar requests by the Boston, Philadelphia, Cleveland, Richmond, St. Louis, Kansas City, Dallas, and San Francisco Reserve Banks to increase the primary credit rate.

At today's meeting, no sentiment was expressed for changing 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, August 26, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, August 29, 2016.

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

Formulas renewed.
August 29, 2016.

The formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs were renewed by the Board for the Federal Reserve Banks of Philadelphia, Atlanta, Chicago, St. Louis, and Kansas City on August 18, 2016, and for the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Minneapolis, Dallas, and San Francisco on August 25.

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

Background: Office of the Secretary memorandum, August 26, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, August 29, 2016.

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

Existing rate maintained.
September 19, 2016.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and Minneapolis had voted on September 8, 2016, and the directors of the Federal Reserve Bank of Chicago had voted on September 15, to reestablish the existing rate for discounts and advances (1 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Dallas, and San Francisco had voted on September 8, and the directors of the Federal Reserve Banks of Philadelphia, Atlanta, St. Louis, and Kansas City had voted on September 15, to establish a rate of 1-1/4 percent (an increase from 1 percent). At its meeting on August 29, the Board had taken no action on requests by the Boston, Philadelphia, Cleveland, Richmond, St. Louis, Kansas City, Dallas, and San Francisco Reserve Banks to increase the primary credit rate.

Federal Reserve Bank directors generally indicated that economic activity was expanding at a moderate pace, though their reports varied somewhat across sectors and Districts. Several directors had positive reports on consumer spending, including continued strength in auto sales in some Districts. Many directors noted solid performance in the housing sector, as well as healthy activity in commercial construction. Some directors commented on continued weakness in the global economy and some downside risks to the global outlook. Most directors noted tighter

U.S. labor markets across skill levels and different sectors, accompanied by upward pressures on compensation for many categories of workers. Inflation remained below the Federal Reserve's 2 percent objective.

Against this backdrop, some Federal Reserve Bank directors recommended that the primary credit rate be maintained at its current level of 1 percent. In general, they judged that the economic outlook and below-target inflation supported maintaining the current accommodative stance of monetary policy. Most Federal Reserve Bank directors recommended increasing the primary credit rate to 1-1/4 percent, in light of actual and expected strengthening in economic activity and labor markets, which should foster a gradual return of inflation to 2 percent over the medium term.

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, September 16, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, September 19, 2016.

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

Formulas renewed.
September 19, 2016.

The formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs were renewed by the Board for the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Minneapolis, Dallas, and San Francisco on September 8, 2016, and for the Federal Reserve Banks of Philadelphia, Atlanta, Chicago, St. Louis, and Kansas City on September 15.

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

Background: Office of the Secretary memorandum, September 16, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks,
September 19, 2016.