
DISCOUNT AND ADVANCE RATES -- Requests by twelve Reserve Banks to maintain the existing primary credit rate; requests to renew the secondary and seasonal credit formulas.

Existing rate and formulas approved.
February 25, 2019.

Today, Board members discussed economic and financial developments and issues related to possible policy actions. In connection with this discussion, Board members considered discounts and advances under the primary credit program (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 next joint meeting of the Board and the Federal Open Market Committee (FOMC).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, and San Francisco had voted on February 14, 2019, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Atlanta, and Dallas had voted on February 21, to establish the primary credit rate at the existing level (3 percent).

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 3 percent. (NOTE: At the joint Board-FOMC meeting on January 30, 2019, the Board had approved the establishment of the primary credit rate at 3 percent.)

The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs for all twelve Reserve Banks. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for this action: Chair Powell, Vice Chair for Supervision Quarles,
and Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, February 22, 2019.
Implementation: Transmissions from Ms. Misback to the Reserve Banks,
February 25, 2019.

DISCOUNT AND ADVANCE RATES -- Requests by twelve Reserve Banks to maintain the existing primary credit rate; requests to renew the secondary and seasonal credit formulas.

Existing rate and formulas approved.
March 11, 2019.

Today, Board members discussed economic and financial developments and issues related to possible policy actions. In connection with this discussion, Board members considered discounts and advances under the primary credit program (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 joint meeting of the Board and the Federal Open Market Committee (FOMC) next week.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Richmond, Kansas City, and San Francisco had voted on February 28, 2019, and the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Atlanta, Chicago, St. Louis, Minneapolis, and Dallas had voted on March 7, to establish the primary credit rate at the existing level (3 percent).

Federal Reserve Bank directors had mixed reports on economic conditions across sectors and Districts. Labor markets remained tight, and some directors reported corresponding wage pressures and continued difficulty finding workers of all skill levels. Some directors observed a slowdown in consumer spending, but others said that retail sales in their Districts had remained strong. While concerns about trade policy had abated somewhat, many directors noted continued uncertainties about the global economy as a factor posing risks to the U.S. economic outlook.

The directors of all twelve Reserve Banks favored establishing the primary credit rate at its existing level of 3 percent. The directors judged that maintaining the current stance of monetary policy was appropriate for the time being in order to assess whether incoming data remained consistent with the outlook for continued solid economic growth, strong labor markets, and inflation remaining near the FOMC's 2 percent objective.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 3 percent. (NOTE: At its meeting on February 25, 2019, the Board had approved the establishment of the primary credit rate at 3 percent.)

The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for this action: Chair Powell, Vice Chair for Supervision Quarles,
and Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, March 8, 2019.

Implementation: Transmissions from Ms. Shanks to the Reserve Banks,
March 11, 2019.

MONETARY POLICY IMPLEMENTATION -- Rates on reserve balances and on discounts and advances unchanged.

Approved.
March 20, 2019.

In a joint meeting of the Federal Open Market Committee (FOMC) and the Board today, the FOMC decided to maintain the target range for the federal funds rate at 2.25 to 2.50 percent. Consistent with the FOMC's decision to leave the target range for the federal funds rate unchanged, the Board approved maintaining the existing interest rates (2.40 percent) paid on required and excess reserve balances. At today's meeting, the Board also approved the establishment of the interest rate on discounts and advances made under the primary credit program (the primary credit rate) at the existing level (3 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Kansas City, Dallas, and San Francisco had voted on March 14, 2019, to establish the primary credit rate at the existing level of 3 percent.

The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for these actions: Chair Powell, Vice Chair Clarida, Vice Chair for Supervision Quarles, and Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, March 15, 2019.

Implementation: FOMC Statement (with attached Implementation Note) and transmissions from Ms. Misback to the Reserve Banks, March 20, 2019.