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

Existing rate and formulas approved.
October 23, 2023.

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 next week.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, and Dallas had voted on October 12, 2023, and the directors of the Federal Reserve Banks of Boston, Philadelphia, St. Louis, Minneapolis, Kansas City, and San Francisco had voted on October 19, to establish the primary credit rate at the existing level of 5.5 percent.

Federal Reserve Bank directors generally reported strong or steady economic activity. Many directors noted strength in overall consumer spending. Labor market conditions continued to improve, with some directors citing increased labor availability and easing wage growth; still, several directors also noted persistent hiring challenges and wage pressures. In most Districts, credit conditions remained tight. Many directors noted slowdowns in residential or commercial real estate activity.

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 5.5 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 Jefferson,
Vice Chair for Supervision Barr,
and Governors Bowman, Waller, Cook,
and Kugler.

Background: Office of the Secretary memorandum, October 20, 2023.

Implementation: Transmissions from Ms. Misback to the Reserve Banks, October 23, 2023.

MONETARY POLICY IMPLEMENTATION -- Interest on reserve balances rate unchanged; rates on discounts and advances unchanged; renewal of secondary and seasonal credit formulas.

Approved.
November 1, 2023.

In a joint meeting of the Board and the Federal Open Market Committee (FOMC) today, the FOMC decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent, effective November 2, 2023. Consistent with the FOMC's decision to leave the target range for the federal funds rate unchanged, the Board approved maintaining the interest rate paid on reserve balances at 5.4 percent, effective November 2, 2023. 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 (5.5 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, and Dallas had voted on October 26, 2023, to establish the primary credit rate at the existing level of 5.5 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 5.5 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 Jefferson,
Vice Chair for Supervision Barr,
and Governors Bowman, Waller,
Cook, and Kugler.

Background: Office of the Secretary memorandum, October 27, 2023.

Implementation: FOMC statement (with attached implementation note) and transmissions from Ms. Fennell to the Reserve Banks, November 1, 2023.