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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.  
May 22, 2023.

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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.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, Kansas City, and Dallas had voted on May 11, 2023, and the directors of the Federal Reserve Banks of Boston, Philadelphia, St. Louis, Minneapolis, and San Francisco had voted on May 18, to establish the primary credit rate at the existing level of 5.25 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 5.25 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 Barr,  
and Governors Bowman, Waller, Cook, and Jefferson.

Background: Office of the Secretary memorandum, May 19, 2023.

Implementation: Transmissions from Ms. Misback to the Reserve Banks, May 22, 2023.

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DISCOUNT AND ADVANCE RATES -- Requests by eleven Reserve Banks to maintain the existing primary credit rate and a request by one Reserve Bank to increase the rate; requests to renew secondary and seasonal credit formulas.

Existing rate and formulas approved.  
June 5, 2023.

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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, Kansas City, and Dallas had voted on May 25, 2023, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Chicago, Minneapolis, and San Francisco had voted on June 1, to establish the primary credit rate at the existing level of 5.25 percent. The directors of the Federal Reserve Bank of St. Louis had voted on June 1, 2023, to establish a primary credit rate of 5.50 percent (an increase from 5.25 percent).

Federal Reserve Bank directors reported generally mixed economic activity across sectors and Districts. Many directors commented on improving labor market conditions, including increased labor availability, higher employee retention, and moderating wage pressures, though some directors also noted ongoing hiring challenges for healthcare and certain other types of workers. Most directors reported further tightening in credit conditions, and some noted increased competition for deposits at banks and increased higher education enrollment. Overall, directors remained cautious about the outlook, with many noting continued elevated inflation and increased uncertainty.

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 5.25 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 Barr,  
and Governors Bowman, Waller, Cook, and Jefferson.

Background: Office of the Secretary memorandum, June 2, 2023.

Implementation: Transmissions from Ms. Misback to the Reserve Banks, June 5,  
2023.

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DISCOUNT AND ADVANCE RATES -- Interest on reserve balances rate unchanged; rates on discounts and advances unchanged; renewal of secondary and seasonal credit formulas.

Approved.  
June 14, 2023.

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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 to 5-1/4 percent, effective June 15, 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 5.15 percent, effective June 15, 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 (5.25 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Atlanta, and Kansas City had voted on June 8, 2023, to establish the primary credit rate at the existing level of 5.25 percent. The directors of the Federal Reserve Banks of Cleveland, Richmond, St. Louis, and Dallas had voted on June 8, 2023, to establish a primary credit rate of 5.50 percent (an increase from 5.25 percent). At its meeting on June 5, 2023, the Board had taken no action on a request by the St. Louis Reserve Bank to increase the primary credit rate. 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 5.25 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 for Supervision Barr,  
and Governors Bowman, Waller, Cook, and Jefferson.

Background: Office of the Secretary memorandum, June 9, 2023.

Implementation: FOMC statement (with attached implementation note) and transmissions from Ms. Shanks to the Reserve Banks, June 14, 2023.