
DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the primary credit rate; requests by two Reserve Banks to increase the primary credit rate.

Existing rate maintained.
May 24, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, Minneapolis, Dallas, and San Francisco had voted on May 13, 2010, and the directors of the Federal Reserve Banks of New York, Philadelphia, and Atlanta had voted on May 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 Banks of St. Louis and Kansas City had voted on May 13 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on April 26, the Board had taken no action on requests by the Federal Reserve Banks of St. Louis, Kansas City, and Dallas to increase the primary credit rate from 3/4 percent to 1 percent.

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: Vice Chairman Kohn and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, May 21, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, May 24, 2010.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for loans backed by newly issued commercial mortgage-backed securities under the Term Asset-Backed Securities Loan Facility.

Approved.
May 24, 2010.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on May 13, 2010, and by the Federal Reserve Banks of New York, Philadelphia, and Atlanta on May 20 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. In addition, the Board approved renewal by the Federal Reserve Bank of New York on May 20 of the formulas for calculating the rates for loans backed by newly issued commercial mortgage-backed securities under the Term Asset-Backed Securities Loan Facility.

Voting for this action: Vice Chairman Kohn and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, May 21, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and transmission from Ms. Beattie to the Federal Reserve Bank of New York, May 24, 2010.

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

Existing rate maintained.
June 7, 2010.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, Minneapolis, and San Francisco had voted on May 27, 2010, and the directors of the Federal Reserve Banks of New York, Philadelphia, and Atlanta had voted on June 3 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 Banks of St. Louis, Kansas City, and Dallas had voted on May 27 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on May 24, the Board had taken no action on requests by the Federal Reserve Banks of St. Louis and Kansas City 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: Chairman Bernanke, Vice Chairman Kohn,
and Governors Duke and Tarullo.

Background: Office of the Secretary memorandum, June 4, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, June 7,
2010.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates, and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for loans backed by newly issued commercial mortgage-backed securities under the Term Asset-Backed Securities Loan Facility.

Approved.
June 7, 2010.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on May 27, 2010, and by the Federal Reserve Banks of New York, Philadelphia, and Atlanta on June 3 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. In addition, the Board approved renewal by the Federal Reserve Bank of New York on June 3 of the formulas for calculating the rates for loans backed by newly issued commercial mortgage-backed securities under the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and
Governors Duke and Tarullo.

Background: Office of the Secretary memorandum, June 4, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and
transmission from Ms. Beattie to the Federal Reserve Bank of
New York, June 7, 2010.

DISCOUNT AND ADVANCE RATES -- Requests by ten Reserve Banks to maintain the existing rate; requests by two Reserve Banks to increase the primary credit rate.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, and San Francisco had voted on June 10, 2010, and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis had voted on June 17 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 June 8 and the directors of the Federal Reserve Bank of Kansas City had voted on June 10 to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on June 7, the Board had taken no action on requests by the Federal Reserve Banks of St. Louis, Kansas City, and Dallas to increase the primary credit rate.

Federal Reserve Bank directors noted several indications that suggested a moderate economic recovery was continuing. A number of directors commented that consumer spending had increased, albeit from low levels. Nevertheless, directors were cautious about the outlook. Although the labor market showed signs of gradual improvement, directors generally expected hiring to remain subdued. Directors also expressed concerns about downside risks posed by the fiscal condition of state and local governments and by financial developments abroad. In light of these persistent risks and the continued outlook for a gradual recovery, and with inflation subdued and inflation expectations stable, most directors recommended that the current accommodative stance of monetary policy 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.

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.

Participating in this determination: Chairman Bernanke, Vice Chairman Kohn,
and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, June 18, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, June 21, 2010.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates, and renewal by the Federal Reserve Bank of New York of the formulas for calculating the rates for loans backed by newly issued commercial mortgage-backed securities under the Term Asset-Backed Securities Loan Facility.

Approved.
June 21, 2010.

The Board approved renewal by the Federal Reserve Bank of Dallas on June 8, 2010; by the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Kansas City, and San Francisco on June 10; and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis on June 17 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. In addition, the Board approved renewal by the Federal Reserve Bank of New York on June 17 of the formulas for calculating the rates for loans backed by newly issued commercial mortgage-backed securities under the Term Asset-Backed Securities Loan Facility.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Duke, and Tarullo.

Background: Office of the Secretary memorandum, June 18, 2010.

Implementation: Transmissions from Ms. Johnson to the Reserve Banks, and transmission from Ms. Beattie to the Federal Reserve Bank of New York, June 21, 2010.