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

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Existing rate and formulas approved.  
November 18, 2024.

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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 made 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 Bank of Kansas City had voted on November 5, 2024; the directors of the Federal Reserve Banks of Chicago, St. Louis, and Minneapolis had voted on November 7; the directors of the Federal Reserve Bank of San Francisco had voted on November 8; and the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, and Dallas had voted on November 14 to establish the primary credit rate at the existing level of 4.75 percent. The directors of the Federal Reserve Banks of New York and Philadelphia had voted on November 14, 2024, to establish a primary credit rate of 4.5 percent (a decrease from 4.75 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 4.75 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 Waller, Cook,  
and Kugler. Absent: Governor Bowman.

Background: Office of the Secretary memorandum, November 15, 2024.

Implementation: Transmissions from Ms. Misback to the Reserve Banks, November 18, 2024.

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

Existing rate and formulas approved.  
December 9, 2024.

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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 made 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, and Richmond had voted on November 27, 2024; the directors of the Federal Reserve Bank of Kansas City had voted on December 3; and the directors of the Federal Reserve Banks of Atlanta, St. Louis, Minneapolis, and Dallas had voted on December 5 to establish the primary credit rate at the existing level of 4.75 percent. The directors of the Federal Reserve Banks of Boston, Philadelphia, Chicago, and San Francisco had voted on December 5, 2024, to establish a primary credit rate of 4.5 percent (a decrease from 4.75 percent). At its meeting on November 18, 2024, the Board had taken no action on requests by the New York and Philadelphia Reserve Banks to decrease the primary credit rate.

Overall, Federal Reserve Bank directors reported stable economic activity, with many noting continued strong consumer spending and a solid start to the holiday shopping season. In labor markets, many directors continued to observe low employee turnover and limited wage pressures. Some directors expressed cautious optimism about the outlook, but most directors also cited uncertainty about potential changes to trade, fiscal, and other government policies.

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 4.75 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, and Cook.  
Absent: Governor Kugler.

Background: Office of the Secretary memorandum, December 6, 2024.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,  
December 9, 2024.

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MONETARY POLICY IMPLEMENTATION -- Decrease in the interest on reserve balances rate and in the primary credit rate; renewal of secondary and seasonal credit formulas.

Approved.  
December 18, 2024.

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In a joint meeting of the Federal Open Market Committee (FOMC) and the Board today, the FOMC decided to lower the target range for the federal funds rate 25 basis points, to 4-1/4 to 4-1/2 percent, effective December 19, 2024. To support the FOMC's decision to lower the target range for the federal funds rate, the Board approved lowering the interest rate paid on reserve balances from 4.65 percent to 4.4 percent, effective December 19, 2024. At today's meeting, the Board also approved a 25-basis-point decrease in the interest rate on discounts and advances made under the primary credit program (the primary credit rate) to 4.5 percent.

Subject to review and determination by the Board of Governors, the directors of eight Federal Reserve Banks had voted to establish a decrease in the primary credit rate. The directors of the Federal Reserve Banks of Boston, Philadelphia, Chicago, and San Francisco had voted on December 5, 2024, and the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, and Atlanta had voted on December 12, to establish a primary credit rate of 4.5 percent (a decrease from 4.75 percent). The directors of the Federal Reserve Bank of Kansas City had voted on December 12, 2024, to establish the primary credit rate at the existing level of 4.75 percent. At its meeting on December 9, 2024, the Board had taken no action on

requests by the Boston, Philadelphia, Chicago, and San Francisco Reserve Banks to decrease the primary credit rate.

At today's meeting, there was consensus for a 25-basis-point decrease, and the Board approved a decrease in the primary credit rate from 4.75 percent to 4.5 percent, effective December 19, 2024, for the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, and San Francisco. 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.

It was understood that a press release and an accompanying document on monetary policy implementation would be issued to announce the decreases in the interest on reserve balances rate and the primary credit rate. In addition, the Secretary was authorized to inform the remaining Federal Reserve Banks, on their establishment of a primary credit rate of 4.5 percent, of the Board's approval and determination, effective on the later of December 19, 2024, or the date the Reserve Bank informed the Secretary of its request. (NOTE: Subsequently, the Secretary informed the St. Louis, Minneapolis, Kansas City, and Dallas Reserve Banks of the Board's approval of their establishment of a primary credit rate of 4.5 percent, effective December 19, 2024.)

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, December 13, 2024.

Implementation: FOMC statement (with attached implementation note), December 18, 2024; transmissions from Ms. Misback to the Reserve Banks, December 18 and 19, 2024; and Federal Register documents (Docket Nos. R-1862 and R-1863, RINs 7100-AG89 and 7100-AG90), January 6, 2025.