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

Existing rate maintained.
July 14, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and Richmond had voted on July 3, 2014, and the directors of the Federal Reserve Banks of Boston, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, and San Francisco had voted on July 10, to reestablish the existing rate for discounts and advances ($\frac{3}{4}$ percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Bank of Philadelphia had voted on July 3, and the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on July 10, to establish a rate of 1 percent (an increase from $\frac{3}{4}$ percent). At its meeting on June 16, the Board had taken no action on similar requests by the Federal Reserve Banks of Philadelphia, Kansas City, and Dallas 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: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, July 11, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, July 14, 2014.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates.

Approved.
July 14, 2014.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, and Richmond on July 3, 2014, and by the Federal Reserve Banks of Boston, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on July 10, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen, Vice Chairman Fischer, and
Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, July 11, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, July 14, 2014.

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

Existing rate maintained.
July 28, 2014.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and Richmond had voted on July 17, 2014, and the directors of the Federal Reserve Banks of Boston, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, and San Francisco had voted on July 24, 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 Kansas City had voted on July 17, and the directors of the Federal Reserve Banks of Philadelphia and Dallas had voted on July 24, to establish a rate of 1 percent (an increase from 3/4 percent). At its meeting on July 14, the Board had taken no action on similar requests by the Federal Reserve Banks of Philadelphia, Kansas City, and Dallas to increase the primary credit rate.

Federal Reserve Bank directors generally noted improving economic conditions, and most directors expected the economy to continue expanding at a moderate pace. Consumer spending had picked up from earlier in the year, and some directors observed that auto sales were particularly strong. Housing market activity was mixed. Directors reported increased home sales and prices in some areas, while other directors reported minimal loan activity and still-tight credit conditions in mortgage markets. Labor markets continued to show signs of gradual improvement, and the unemployment rate declined further. However, many firms remained cautious about hiring and

continued to report difficulty finding qualified workers for certain positions. Although some directors noted temporary increases in energy and food prices, directors generally did not see an increase in broader price pressures. Longer-term inflation expectations remained stable. Against this backdrop, most directors recommended that the current primary credit rate 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. These directors favored a move toward normalization of the primary credit rate in light of their outlook for economic and financial conditions, as well as their assessments of the risks to that outlook.

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. Thereafter, a discussion of economic and financial developments and issues related to possible policy actions took place.

Participating in this determination: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, July 25, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, July 28, 2014.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates.

Approved.
July 28, 2014.

The Board approved renewal by the Federal Reserve Banks of New York, Richmond, and Kansas City on July 17, 2014, and by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco on July 24, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chair Yellen, Vice Chairman Fischer, and
Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, July 25, 2014.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks,
July 28, 2014.