
DISCOUNT RATES -- Establishment by twelve Reserve Banks of the new primary credit rate and related formula for calculating the new secondary credit rate.

**Approved.
January 6, 2003.**

The Board approved the establishment by twelve Federal Reserve Banks of a primary credit rate of 2-1/4 percent (100 basis points above the Federal Open Market Committee's target federal funds rate) and the formula for calculating a secondary credit rate (50 basis points above the primary credit rate) that yielded a rate of 2-3/4 percent, effective January 9, 2003. This action implemented the new discount window programs that had been approved by the Board on October 31, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

Background: Office of the Secretary memorandum, January 2, 2003.

Implementation: Wire from Ms. Johnson to the Reserve Banks, January 6, 2003.

DISCOUNT RATES -- Establishment without change by eight Reserve Banks of the existing primary credit rate; renewal by those Banks of the formulas for calculating the secondary and seasonal credit rates; renewal by one Bank of the formula for calculating the seasonal credit rate.

**Approved.
January 13, 2003.**

The Board approved the establishment of the existing rate on primary credit (2-1/4 percent) by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Dallas, and San Francisco on January 9, 2003. The Board also approved renewal by those Banks on the same date of the formulas for calculating the secondary and seasonal credit rates and renewal by the Federal Reserve Bank of Minneapolis on January 2, 2003, of the formula for calculating the seasonal credit rate.

Voting for this action: Chairman Greenspan, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

Background: Office of the Secretary memorandum, January 10, 2003.

Implementation: Wire from Ms. Johnson to the Reserve Banks, January 13, 2003.

DISCOUNT RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate; renewal by those Banks of the formulas for calculating the secondary and seasonal credit rates.

**Approved.
January 27, 2003.**

The Board approved the establishment of the existing rate on primary credit (2-1/4 percent) by the Federal Reserve Banks of New York, Chicago, and Minneapolis on January 16, and by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, Dallas, and San Francisco on January 23, 2003. The Board also approved renewal by those Banks, on the dates indicated above, of the formulas for calculating the secondary and seasonal credit rates.

At today's meeting, the Board discussed recent economic developments, including the restraint on expansion of the economy caused by current geopolitical uncertainty. No sentiment was expressed in favor of taking action on discount rates before this week's meeting of the Federal Open Market Committee, and existing rates were maintained.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

Background: Office of the Secretary memorandum, January 24, 2003.

Implementation: Wire from Ms. Johnson to the Reserve Banks, January 27, 2003.