DISCOUNT AND ADVANCE RATES -- Reduction in the primary credit rate from 6-1/4 percent to 5-3/4 percent.

Approved.
August 16, 2007.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York and San Francisco had voted on August 16, 2007, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 5-3/4 percent (a reduction from 6-1/4 percent). The San Francisco Bank had also voted to renew the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs (secondary and seasonal credit rates). The directors of the Federal Reserve Bank of St. Louis had voted on August 9 to establish a primary credit rate of 6 percent. The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, Kansas City, and Dallas had voted on August 9 and the directors of the Federal Reserve Banks of Philadelphia and Minneapolis had voted on August 16 to maintain the existing primary credit rate (6-1/4 percent).

At today's meeting, there was a consensus for a 50-basis-point reduction, and the Board approved a reduction in the primary credit rate from 6-1/4 percent to 5-3/4 percent, effective August 17 for the Federal Reserve Banks of New York and San Francisco. The Board also approved the San Francisco Bank's request for renewal of the formulas for secondary and seasonal credit rates.

In addition, the Secretary was authorized to inform the remaining Reserve Banks, on their establishment of a primary credit rate of 5-3/4 percent, of the Board's approval. (NOTE: Subsequently, the remaining Reserve Banks established that rate and were informed of the Board's approval, effective August 17 for the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and Dallas and effective August 20 for the Federal Reserve Bank of St. Louis.)

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Background: Office of the Secretary chart -- Current Week's Pending Discount Rates, August 16, 2007.

Implementation: Press releases and wires from Mr. Frierson to the Reserve Banks, August 17, and Federal Register document, August 20, 2007.

DISCOUNT AND ADVANCE RATES -- Request by one Reserve Bank to lower the primary credit rate; requests by eleven Reserve Banks to maintain the existing rate.

Existing rate maintained.
September 4, 2007.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of San Francisco had voted on August 23, 2007, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 5-1/2 percent (a reduction from 5-3/4 percent). The directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Atlanta, Chicago, Kansas City, and Dallas had voted on August 23, the directors of the Federal Reserve Banks of Richmond and St. Louis had voted on August 29, and the directors of the Federal Reserve Banks of New York and Minneapolis had voted on August 30 to maintain the existing 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 Warsh, Kroszner, and Mishkin.

Background: Office of the Secretary memorandum, August 31, 2007.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 4, 2007.

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

Approved.
September 4, 2007.

The Board approved renewal by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Atlanta, Chicago, Kansas City, Dallas, and San Francisco on August 23, 2007, by the Federal Reserve Banks of Richmond and St. Louis on August 29, and by the Federal Reserve Banks of New York and Minneapolis on

August 30 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Background: Office of the Secretary memorandum, August 31, 2007.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 4, 2007.

DISCOUNT AND ADVANCE RATES -- Requests by eleven Reserve Banks to lower the primary credit rate; request by one Reserve Bank to maintain the existing rate.

Existing rate maintained.
September 17, 2007.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Richmond had voted on September 12, 2007, and the directors of the Federal Reserve Banks of Atlanta, Chicago, and Dallas had voted on September 13 to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 5-1/2 percent (a reduction from 5-3/4 percent). The directors of the Federal Reserve Bank of New York had voted on September 7, the directors of the Federal Reserve Banks of Cleveland and St. Louis had voted on September 12, and the directors of the Federal Reserve Banks of Boston, Minneapolis, Kansas City, and San Francisco had voted on September 13 to establish a primary credit rate of 5-1/4 percent. The directors of the Federal Reserve Bank of Philadelphia had voted on September 6 to maintain the existing rate. At its meeting on September 4, the Board had taken no action on a request by the Federal Reserve Bank of San Francisco to lower the primary credit rate to 5-1/2 percent.

Federal Reserve Bank directors in favor of a 50-basis-point reduction cited concerns about increased downside risks to the real economy. Most directors believed that the recent tightening of credit conditions appeared likely to have contractionary effects on the economy going forward and that these effects could be significant, partly by intensifying the correction in the housing sector. Some noted that a weak employment report for August was perhaps an early sign of a slowdown. With inflation moderating somewhat, these directors supported reducing the primary credit rate to 5-1/4 percent.

Federal Reserve Bank directors in favor of reducing the primary credit rate by 25 basis points also expressed concern about the near-term prospects for economic activity, and they generally agreed that inflation risks had diminished a little and risks to growth had increased. These directors believed, however, that a reduction in the primary credit rate to 5-1/2 percent was the appropriate adjustment to the stance of monetary policy at this time.

At today's meeting, no sentiment was expressed in favor of considering the primary credit rate before tomorrow's meeting of the Federal Open Market Committee, and the existing rate was maintained.

Participating in this determination: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Background: Office of the Secretary memorandum, September 14, 2007.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 17, 2007.

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

Approved.
September 17, 2007.

The Board approved renewal by the Federal Reserve Bank of Philadelphia on September 6, 2007, by the Federal Reserve Bank of New York on September 7, by the Federal Reserve Banks of Cleveland, Richmond, and St. Louis on September 12, and by the Federal Reserve Banks of Boston, Atlanta, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco on September 13 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Background: Office of the Secretary memorandum, September 14, 2007.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 17, 2007.

DISCOUNT AND ADVANCE RATES -- Reduction in the primary credit rate from 5-3/4 percent to 5-1/4 percent.

Approved.
September 18, 2007.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Richmond had voted on September 12, 2007, and the directors of the Federal Reserve Banks of Atlanta, Chicago, and Dallas had voted on September 13 to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 5-1/2 percent (a reduction from 5-3/4 percent). The directors of the Federal Reserve Bank of New York had voted on September 7, the directors of the Federal Reserve Banks of Cleveland and St. Louis had voted on September 12, and the directors of the Federal Reserve Banks of Boston, Minneapolis, Kansas City, and San Francisco had voted on September 13 to establish a primary credit rate of 5-1/4 percent. The directors of the Federal Reserve Bank of Philadelphia had voted on September 6 to maintain the existing rate. At its meeting on September 17, the Board had taken no action on the requests to lower the primary credit rate.

At today's meeting, there was a consensus for a 50-basis-point reduction, and the Board approved a reduction in the primary credit rate from 5-3/4 percent to 5-1/4 percent, effective immediately for the Federal Reserve Banks of Boston, New York, Cleveland, Minneapolis, Kansas City, and San Francisco, and effective September 19 for the Federal Reserve Bank of St. Louis. Earlier today, the Federal Open Market Committee had decided to lower its target for the federal funds rate by 50 basis points to 4-3/4 percent. It was understood that a press release announcing the reductions in the two rates would be issued.

In addition, the Secretary was authorized to inform the remaining Reserve Banks, on their establishment of a primary credit rate of 5-1/4 percent, of the Board's approval. (NOTE: Subsequently, the remaining five Reserve Banks established that rate and were informed of the Board's approval, effective September 19 for the Federal Reserve Banks of Richmond, Atlanta, and Dallas, and effective September 20 for the Federal Reserve Banks of Philadelphia and Chicago.)

Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Background: Office of the Secretary memorandum, September 14, 2007.

Implementation: Press releases and wires from Ms. Johnson to the Reserve Banks, September 18, 19, and 20, and Federal Register documents, September 21 and October 2, 2007.