
DISCOUNT AND ADVANCE RATES -- Establishment without change by eleven Reserve Banks of the existing primary credit rate; renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility.

Approved.
March 31, 2008.

The Board approved the establishment without change of the rate for discounts and advances under the primary credit program (2-1/2 percent) by the Federal Reserve Banks of New York and Philadelphia on March 20, 2008, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on March 27. The Board also approved renewal by the Federal Reserve Bank of Minneapolis on March 19, by the Federal Reserve Banks of New York and Philadelphia on March 20, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on March 27 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and renewal of the auction procedure for determining the rate for the Term Auction Facility.

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

Background: Office of the Secretary memorandum, March 28, 2008.

Implementation: Wire from Mr. Frierson to the Reserve Banks, March 31, 2008.

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

Existing rate maintained.
April 14, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of San Francisco had voted on April 10, 2008, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/4 percent (a reduction from 2-1/2 percent). The directors of the Federal Reserve

Bank of Boston had voted on April 10 to establish a primary credit rate of 2 percent. The directors of the Federal Reserve Bank of Minneapolis had voted on April 2, the directors of the Federal Reserve Banks of New York and Philadelphia had voted on April 3, the directors of the Federal Reserve Bank of Dallas had voted on April 9, and the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis, and Kansas City had voted on April 10 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 Kroszner and Mishkin.

Background: Office of the Secretary memorandum, April 11, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, April 14, 2008.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility.

Approved.
April 14, 2008.

The Board approved renewal by the Federal Reserve Bank of Minneapolis on April 2, 2008, by the Federal Reserve Banks of New York and Philadelphia on April 3, by the Federal Reserve Bank of Dallas on April 9, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, and San Francisco on April 10 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and renewal of the auction procedure for determining the rate for the Term Auction Facility.

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

Background: Office of the Secretary memorandum, April 11, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, April 14, 2008.

DISCOUNT AND ADVANCE RATES -- Requests by five Reserve Banks to lower the primary credit rate; requests by seven Reserve Banks to maintain the existing rate.

Existing rate maintained.
April 28, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on April 18, 2008, and the directors of the Federal Reserve Banks of Cleveland, Atlanta, and San Francisco had voted on April 24 to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/4 percent (a reduction from 2-1/2 percent). The directors of the Federal Reserve Bank of Boston had voted on April 24 to establish a primary credit rate of 2 percent. The directors of the Federal Reserve Banks of Philadelphia and Minneapolis had voted on April 17 and the directors of the Federal Reserve Banks of Richmond, Chicago, St. Louis, Kansas City, and Dallas had voted on April 24 to maintain the existing rate. At its meeting on April 14, the Board had taken no action on the requests by the Federal Reserve Banks of Boston and San Francisco to lower the primary credit rate.

Federal Reserve Bank directors in favor of a 25-basis-point reduction in the primary credit rate expressed concern about near-term prospects for economic activity. Several directors noted that significant downside risks to economic growth remained, including the potential for a further weakening of labor markets and the possibility that the contraction in the housing sector would be deeper and more prolonged than currently expected. Although some directors viewed the news on inflation as somewhat encouraging, they believed that challenges to price stability remained, and other directors were concerned about the implications for inflation of continued upward pressures on prices for food, energy, and other commodities. Directors generally agreed that a further reduction of 25 basis points would appropriately balance the downside risks to growth with the upside risks to inflation.

Federal Reserve Bank directors recommending a 50-basis-point reduction in the primary credit rate were also concerned about the risks to both growth and inflation. They considered it likely, however, that the greater economic slack associated with a slowdown in the real economy would moderate inflationary pressures. These directors believed that a reduction of 50 basis points was appropriate at this point to reduce the risk of a serious downturn.

Federal Reserve Bank directors in favor of maintaining the existing primary credit rate viewed concerns about the outlook for inflation as offsetting concerns about the subdued outlook for the real economy. In part because of the significant lag before the full effects of past monetary policy easing would be realized, these directors concluded that no change in the existing rate was appropriate at this time.

Today, Board members considered the primary credit rate and discussed, on a preliminary basis, their individual assessments of appropriate monetary policy and its communication, which would be the principal subjects of 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, Kroszner, and Mishkin.

Background: Office of the Secretary memorandum, April 25, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, April 28, 2008.

DISCOUNT AND ADVANCE RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the secondary and seasonal credit rates and of the auction procedure for determining the rate for the Term Auction Facility.

Approved.
April 28, 2008.

The Board approved renewal by the Federal Reserve Banks of Philadelphia and Minneapolis on April 17, 2008, by the Federal Reserve Bank of New York on April 18, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on April 24 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs and renewal of the auction procedure for determining the rate for the Term Auction Facility.

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

Background: Office of the Secretary memorandum, April 25, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, April 28, 2008.

DISCOUNT AND ADVANCE RATES -- Reduction in the primary credit rate from 2-1/2 percent to 2-1/4 percent.

Approved.
April 30, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on April 18, 2008, and the directors of the Federal Reserve Banks of Cleveland, Atlanta, and San Francisco had voted on April 24 to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/4 percent (a reduction from 2-1/2 percent). The directors of the Federal Reserve Bank of Boston had voted on April 24 to establish a primary credit rate of 2 percent. The directors of the Federal Reserve Banks of Philadelphia and Minneapolis had voted on April 17 and the directors of the Federal Reserve Banks of Richmond, Chicago, St. Louis, Kansas City, and Dallas had voted on April 24 to maintain the existing rate. At its meeting on April 28, the Board had taken no action on these requests to lower the primary credit rate.

At today's meeting, there was a consensus for a 25-basis-point reduction, and the Board approved a reduction in the primary credit rate from 2-1/2 percent to 2-1/4 percent, effective immediately for the Federal Reserve Banks of New York, Cleveland, Atlanta, and San Francisco. Earlier today, the Federal Open Market Committee had decided to lower its target for the federal funds rate by 25 basis points to 2 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 2-1/4 percent, of the Board's approval. (NOTE: Subsequently, the remaining Reserve Banks established that rate and were informed of the Board's approval, effective April 30 for the Federal Reserve Banks of Chicago and Kansas City, and effective May 1 for the Federal Reserve Banks of Boston, Philadelphia, Richmond, St. Louis, Minneapolis, and Dallas.)

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

Background: Office of the Secretary memorandum, April 25, 2008.

Implementation: Press releases and wires from Ms. Johnson to the Reserve Banks, April 30 and May 1, and Federal Register document, May 1, 2008.