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**DISCOUNT AND ADVANCE 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.  
April 23, 2007.**

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The Board approved the establishment without change of the rate for discounts and advances under the primary credit program (6-1/4 percent) by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on April 12, 2007, and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on April 19. The Board also approved renewal by those Banks, on the dates indicated above, 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, April 20, 2007.

**Implementation:** Wire from Ms. Johnson to the Reserve Banks, April 23, 2007.

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**DISCOUNT AND ADVANCE RATES -- Establishment without change by twelve Reserve Banks of the existing primary credit rate.**

**Existing rate maintained.  
May 7, 2007.**

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Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, and San Francisco had voted on April 26, 2007, and the directors of the Federal Reserve Banks of New York, Philadelphia, Minneapolis, and Dallas had voted on May 3 to reestablish the existing rate for discounts and advances (6-1/4 percent) under the primary credit program (primary credit rate).

Although directors noted rather weak GDP growth in the first quarter, most expected the overall economy to resume moderate expansion over the balance of the year as the contraction of housing activity abated. Several directors considered tight conditions in the labor market to represent an upside risk to expectations that core inflation would drift down over the remainder of the year. Others viewed risks to growth

and inflation to be about evenly balanced. Directors generally agreed that the best course was to maintain the current stance of monetary policy for now while keeping a close watch on incoming data for areas with the greatest potential risks.

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

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

**Background:** Office of the Secretary memorandum, May 4, 2007.

**Implementation:** Wire from Ms. Johnson to the Reserve Banks, May 7, 2007.

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

**Approved.**  
**May 7, 2007.**

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The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, and San Francisco on April 26, 2007, and by the Federal Reserve Banks of New York, Philadelphia, Minneapolis, and Dallas on May 3 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 and Governors Warsh, Kroszner, and Mishkin.**

**Background:** Office of the Secretary memorandum, May 4, 2007.

**Implementation:** Wire from Ms. Johnson to the Reserve Banks, May 7, 2007.