
DISCOUNT RATES -- Request by one Reserve Bank to increase the discount rate; requests by eleven Reserve Banks to maintain existing rates.

**Existing rates maintained.
July 22, 2002.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Kansas City had voted on July 11, 2002, to establish a basic discount rate of 1-1/2 percent (an increase from 1-1/4 percent). The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Dallas, and San Francisco had voted on July 11, and the directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on July 18, 2002, to maintain the rates in their existing schedules. At its meeting on June 24, 2002, the Board had considered, but had taken no action on, a similar request by the Federal Reserve Bank of Kansas City to increase the discount rate.

No sentiment was expressed in favor of an increase in the discount rate at today's meeting, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, and Olson.

Background: Office of the Secretary memorandum, July 19, 2002.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 22, 2002.

DISCOUNT RATES -- Renewal by twelve Reserve Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

**Approved.
July 22, 2002.**

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on July 11, and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on July 18, 2002, of the formulas for calculating the flexible rates for extended and seasonal credit.

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

Background: Office of the Secretary memorandum, July 19, 2002.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 22, 2002.

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

**Approved.
August 5, 2002.**

The Board approved the establishment without change by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on July 25; and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on August 1, 2002, of the rates on advances and discounts in their existing schedules. The Board also approved renewal by the twelve Reserve Banks, on the dates indicated above, of the formulas for calculating the flexible rates for extended and seasonal credit.

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

Background: Office of the Secretary memorandum, August 2, 2002.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 5, 2002.

DISCOUNT RATES -- Request by one Reserve Bank to lower the discount rate; requests by eleven Reserve Banks to maintain existing rates.

**Existing rates maintained.
August 12, 2002.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Boston had voted on August 8, 2002, to establish a basic discount rate of 1 percent (a reduction from 1-1/4 percent). The directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on August 1, and the directors of the Federal Reserve Banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco had voted on August 8, 2002, to maintain the rates in their existing schedules.

The Board discussed recent economic developments. No sentiment was

expressed in favor of taking action on the discount rate at today's meeting, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, Olson, Bernanke, and Kohn.

Background: Office of the Secretary memorandum, August 9, 2002.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 12, 2002.

DISCOUNT RATES -- Renewal by nine Reserve Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

Approved.
August 12, 2002.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on August 8, 2002, of the formulas for calculating the flexible rates for extended and seasonal credit.

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

Background: Office of the Secretary memorandum, August 9, 2002.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 12, 2002.