
DISCOUNT RATES -- Establishment without change by two Reserve Banks and renewal by eight Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

**Approved.
May 21, 2001.**

The Board approved the establishment without change by the Federal Reserve Banks of New York and St. Louis on May 17, 2001, of the rates on advances and discounts in their existing schedules. The Board also approved renewal by the Federal Reserve Banks of Atlanta, Kansas City, and Dallas on May 16, and by the Federal Reserve Banks of New York, Philadelphia, Cleveland, St. Louis, and Minneapolis on May 17, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

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

Background: Office of the Secretary memorandum, May 18, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, May 21, 2001.

DISCOUNT RATES -- Establishment without change by eight Reserve Banks and renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

**Approved.
May 29, 2001.**

The Board approved the establishment without change by the Federal Reserve Banks of Boston, Philadelphia, Richmond, Atlanta, Chicago, Kansas City, Dallas, and San Francisco on May 24, 2001, of the rates on advances and discounts in their existing schedules. The Board also approved renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, May 25, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, May 29, 2001.

DISCOUNT RATES -- Establishment without change by four Reserve Banks and

renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

**Approved.
June 4, 2001.**

The Board approved the establishment without change by the Federal Reserve Banks of New York, Cleveland, St. Louis, and Minneapolis on May 31, 2001, of the rates on advances and discounts in their existing schedules. The Board also approved renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley and Meyer.

Background: Office of the Secretary memorandum, June 1, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 4, 2001.

DISCOUNT RATES -- Establishment without change by nine Reserve Banks and renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

**Approved.
June 11, 2001.**

The Board approved the establishment without change by the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Atlanta, Chicago, Kansas City, Dallas, and San Francisco on June 7, 2001, of the rates on advances and discounts in their existing schedules. The Board also approved renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

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

Background: Office of the Secretary memorandum, June 8, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 11, 2001.

DISCOUNT RATES -- Requests by four Reserve Banks to lower the discount rate; requests by five Reserve Banks to maintain existing rates.

**Existing rates maintained.
June 18, 2001.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Atlanta, Dallas, and San Francisco had voted on June 14, 2001, to establish a basic discount rate of 3-1/4 percent (a reduction from 3-1/2 percent), with appropriate changes in related rates. The directors of the Federal Reserve Banks of Cleveland, Richmond, St. Louis, Minneapolis, and Kansas City had voted to maintain the rates in their existing schedules.

Reserve Bank directors requesting a reduction in the discount rate remained concerned about what they viewed as downside risks in the economic outlook and the absence of data indicating signs of a recovery. Some noted a continuing weakness in manufacturing and the decline in employment. Although most directors expected recent easings in monetary policy to spur economic growth by year's end, they thought a further reduction of 25 basis points was appropriate at this time.

Directors in favor of maintaining existing rates also acknowledged continuing downside risks in the economic outlook, but they believed that there was a substantial degree of monetary and fiscal stimulus already at work to boost the economy in the second half of this year. Without additional evidence of weakness, these directors thought it prudent to give the economy time to respond to the policy actions taken to date.

At today's meeting, no sentiment was expressed in favor of a reduction in the discount rate, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, June 15, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 18, 2001.

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

Approved.
June 18, 2001.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco on June 14, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and

Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, June 15, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 18, 2001.

DISCOUNT RATES -- Requests by eight Reserve Banks to lower the discount rate; requests by four Reserve Banks to maintain existing rates.

**Existing rates maintained.
June 25, 2001.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Atlanta, Dallas, and San Francisco had voted on June 14, and the directors of the Federal Reserve Banks of New York, Philadelphia, and Chicago had voted on June 21, 2001, to establish a basic discount rate of 3-1/4 percent (a reduction from 3-1/2 percent), with appropriate changes in related rates. The directors of the Federal Reserve Bank of Minneapolis had voted on June 21, 2001, to establish a basic discount rate of 3 percent, with appropriate changes in related rates. The directors of the other four Federal Reserve Banks had voted on June 14, 2001, to maintain existing rates. At its meeting on June 18, 2001, the Board had considered, but had taken no action on, the requests by the Federal Reserve Banks of Boston, Atlanta, Dallas, and San Francisco to lower the discount rate by one quarter of a percentage point.

Reserve Bank directors requesting a discount rate of 3-1/4 percent expressed continued concern about indications of weakness in the economy. Some noted that manufacturing activity showed few signs of a rebound, and they cautioned that the continued strength in consumer spending and housing remained questionable if there was a further weakening in the economy. The directors recognized that the aggressive easing in monetary policy should begin to have an impact on economic performance soon, but they considered it prudent to continue easing, though in smaller steps to minimize possible later inflationary side effects, while remaining watchful for signs of a turnaround.

Directors in favor of reducing the discount rate to 3 percent were less optimistic about the prospects of economic growth than they had been in the recent past. They were concerned about the continuing decline in manufacturing and troubled by the prospect that the inventory correction might be relatively prolonged. Since the directors viewed inflation expectations, as implied by market interest rates, as relatively low, they concluded that a reduction of 50 basis points in the discount rate would provide a needed boost to the economy with little risk of fostering higher inflation.

The views of the Reserve Bank directors in favor of maintaining existing rates

were substantially similar to those submitted for consideration at the meeting on June 18, 2001.

At today's meeting, the Board discussed recent economic developments. No sentiment was expressed in favor of taking action on the discount rate before the meeting of the Federal Open Market Committee on June 26-27, 2001, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, June 22, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 25, 2001.

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

Approved.
June 25, 2001.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, Chicago, and Minneapolis on June 21, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, June 22, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 25, 2001.

DISCOUNT RATES -- Reduction in the discount rate from 3-1/2 percent to 3-1/4 percent.

Approved.
June 27, 2001.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Atlanta, Dallas, and San Francisco had voted on June 14, and the directors of the Federal Reserve Banks of New York, Philadelphia, and Chicago had voted on June 21, 2001, to establish a basic discount rate of 3-1/4 percent (a reduction from 3-1/2 percent), with appropriate changes in related rates. The directors of the Federal Reserve Bank of Minneapolis had voted on June 21,

2001, to establish a basic discount rate of 3 percent, with appropriate changes in related rates. The directors of the Federal Reserve Banks of Cleveland, Richmond, St. Louis, and Kansas City had voted on June 14, 2001, to maintain existing rates. At its meeting on June 25, 2001, the Board had considered, but had taken no action on, the requests to lower the discount rate.

At today's meeting, there was a consensus in favor of a reduction in the discount rate of one-quarter percentage point, and the Board approved the pending requests for reductions in the discount rate from 3-1/2 percent to 3-1/4 percent, with appropriate changes in related rates, effective immediately for the Federal Reserve Banks of Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, and San Francisco. At an earlier meeting today, the Federal Open Market Committee had decided to lower its target for the federal funds rate by 25 basis points to 3-3/4 percent.

It was understood that a press release announcing the reduction would be issued. In addition, the Secretary was authorized to inform the remaining Reserve Banks, on their establishment of a basic discount rate of 3-1/4 percent, along with appropriate related rates, of the Board's approval of that schedule of rates. (NOTE: Subsequently, the remaining five Reserve Banks established that schedule of rates and were informed of the Board's approval, effective June 28, 2001, for the Federal Reserve Banks of Cleveland, Richmond, Minneapolis, and Kansas City, and effective June 29, 2001, for the Federal Reserve Bank of St. Louis.)

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, June 22, 2001.

Implementation: Press releases and wires from Ms. Johnson and Mr. Frierson to the Reserve Banks, June 27 and 28, 2001.

DISCOUNT RATES -- Establishment without change by five Reserve Banks and renewal by ten Reserve Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

**Approved.
July 2, 2001.**

The Board approved the establishment without change by the Federal Reserve Banks of Boston, Atlanta, Chicago, Dallas, and San Francisco on June 28, 2001, of the rates on advances and discounts in their existing schedules. The Board also approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and

Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, June 29, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 2, 2001.

DISCOUNT RATES -- Establishment without change by two Reserve Banks and renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

**Approved.
July 9, 2001.**

The Board approved the establishment without change by the Federal Reserve Banks of New York and Philadelphia on July 5, 2001, of the rates on advances and discounts in their existing schedules. The Board also approved renewal by those Banks of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, July 6, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 9, 2001.

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

**Existing rates maintained.
July 23, 2001.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on July 19, 2001, to establish a basic discount rate of 3 percent (a reduction from 3-1/4 percent), with appropriate changes in related rates. The directors of the other eleven Reserve Banks had voted to maintain the rates in their existing schedules.

At today's meeting, no sentiment was expressed in favor of a reduction in the discount rate, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley and Meyer.

Background: Office of the Secretary memorandum, July 20, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 23, 2001.

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

**Approved.
July 23, 2001.**

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 12, and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on July 19, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley and Meyer.

Background: Office of the Secretary memorandum, July 20, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 23, 2001.

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 6, 2001.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on August 2, 2001, to establish a basic discount rate of 3 percent (a reduction from 3-1/4 percent), with appropriate changes in related rates. The directors of the other eleven Reserve Banks had voted to maintain the rates in their existing schedules. At its meeting on July 23, 2001, the Board had considered, but had taken no action on, a similar request by the New York Reserve Bank to lower the discount rate.

At today's meeting, no sentiment was expressed in favor of a reduction in the discount rate, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, August 3, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 6, 2001.

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

**Approved.
August 6, 2001.**

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, Kansas City, Dallas, and San Francisco on July 26, and by the Federal Reserve Banks of New York, Philadelphia, St. Louis, and Minneapolis on August 2, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, August 3, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 6, 2001.

DISCOUNT RATES -- Requests by seven Reserve Banks to lower the discount rate; requests by five Reserve Banks to maintain existing rates.

**Existing rates maintained.
August 20, 2001.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Richmond, Chicago, Kansas City, and Dallas had voted on August 9, and the directors of the Federal Reserve Banks of New York and Philadelphia had voted on August 16, 2001, to establish a basic discount rate of 3 percent (a reduction from 3-1/4 percent), with appropriate changes in related rates. The directors of the other five Reserve Banks had voted to maintain the rates in their existing schedules. At its meeting on August 6, 2001, the Board had considered, but had taken no action on, a similar request by the Federal Reserve Bank of New York to lower the discount rate.

Reserve Bank directors requesting a reduction in the discount rate generally viewed the economy as not showing significant signs of improvement and expressed a growing sense that it might take longer than anticipated for the recovery to occur. Most directors agreed that inflation generally remained contained. In this light, the directors concluded that reducing the discount rate was appropriate.

Although recognizing that the economy was underperforming, and that inflation remained modest, Reserve Bank directors requesting that existing rates be maintained pointed to the substantial amount of easing in monetary policy already put in place this year, and they underscored the fact that there were lags between policy actions and

their effect on the economy. Accordingly, they believed it likely that economic growth would accelerate from currently low rates to a more acceptable pace over coming quarters.

At today's meeting, the Board discussed recent economic developments. No sentiment was expressed in favor of taking action on the discount rate before the meeting of the Federal Open Market Committee on August 21-22, 2001, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, August 17, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 20, 2001.

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

Approved.
August 20, 2001.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, Kansas City, Dallas, and San Francisco on August 9, and by the Federal Reserve Banks of New York, Philadelphia, St. Louis, and Minneapolis on August 16, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, August 17, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 20, 2001.

DISCOUNT RATES -- Reduction in the discount rate from 3-1/4 percent to 3 percent.

Approved.
August 21, 2001.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Richmond, Chicago, Kansas City, and Dallas had voted on August 9, and the directors of the Federal Reserve Banks of New York

and Philadelphia had voted on August 16, 2001, to establish a basic discount rate of 3 percent (a reduction from 3-1/4 percent), with appropriate changes in related rates. The directors of the other five Reserve Banks had voted to maintain the rates in their existing schedules. At its meeting on August 20, 2001, the Board had considered, but had taken no action on, the requests by those Banks to lower the discount rate.

At today's meeting, there was a consensus in favor of a reduction in the discount rate of one-quarter percentage point, and the Board approved the pending requests for reductions in the discount rate from 3-1/4 to 3 percent, with appropriate changes in related rates, effective immediately for the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Chicago, Kansas City, and Dallas. At an earlier meeting today, the Federal Open Market Committee had decided to lower its target for the federal funds rate by 25 basis points to 3-1/2 percent.

It was understood that a press release announcing the reduction would be issued. In addition, the Secretary was authorized to inform the remaining Reserve Banks, on their establishment of a basic discount rate of 3 percent, along with appropriate related rates, of the Board's approval of that schedule of rates. (NOTE: Subsequently, the remaining five Reserve Banks established that schedule of rates and were informed of the Board's approval, effective August 21, for the Federal Reserve Bank of San Francisco; effective August 22, for the Federal Reserve Bank of Minneapolis; and effective August 23, 2001, for the Federal Reserve Banks of Cleveland, Atlanta, and St. Louis.)

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, August 17, 2001.

Implementation: Press releases and wires from Ms. Johnson and Mr. Frierson to the Reserve Banks, August 21, 22, and 23, 2001.

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

**Existing rates maintained.
September 4, 2001.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on August 30, 2001, to establish a basic discount rate of 2-3/4 percent (a reduction from 3 percent), with appropriate changes in related rates. The directors of the Federal Reserve Banks of Boston, Philadelphia, Richmond, Chicago, Kansas City, Dallas, and San Francisco had voted on August 23, and the directors of the Federal Reserve Banks of St. Louis and Minneapolis had voted on August 30, 2001, to maintain the rates in their existing

schedules.

At today's meeting, no sentiment was expressed in favor of a reduction in the discount rate, and existing rates were maintained.

Participating in this determination: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, August 31, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 4, 2001.

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

Approved.
September 4, 2001.

The Board approved renewal by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Kansas City, Dallas, and San Francisco on August 23, and by the Federal Reserve Banks of New York, St. Louis, and Minneapolis on August 30, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, August 31, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 4, 2001.

DISCOUNT RATES -- Reduction in the discount rate from 3 percent to 2-1/2 percent.

Approved.
September 17, 2001.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of New York had voted on September 6, and the directors of the Federal Reserve Banks of Boston, Atlanta, and St. Louis had voted on September 13, 2001, to establish a basic discount rate of 2-3/4 percent (a reduction

from 3 percent), with appropriate changes in related rates. The directors of the Federal Reserve Banks of Richmond, Chicago, Minneapolis, Dallas, and San Francisco had voted on September 13, 2001, to establish a basic discount rate of 2-1/2 percent, with appropriate changes in related rates. The directors of the other three Reserve Banks had voted to maintain the rates in their existing schedules. At its meeting on September 4, 2001, the Board had considered, but had taken no action on, a request by the Federal Reserve Bank of New York to lower the discount rate.

Reserve Bank directors requesting a reduction in the discount rate generally agreed that even before the events of September 11, 2001, employment, production, and business spending remained weak. Directors in favor of a 50-basis-point reduction were concerned that consumer confidence might well deteriorate significantly further. Other directors noted that it was too soon to judge the eventual economic impact, but predicted that the events would foster substantial additional weakness. Directors requesting a 25-basis-point reduction viewed a smaller reduction as providing an appropriate symbol of further Federal Reserve action while retaining maximum flexibility to respond to a difficult situation.

The directors of the Federal Reserve Bank of Cleveland had voted on September 13, 2001, in favor of no change in existing rates as the most appropriate course for now. The directors of the Federal Reserve Banks of Philadelphia and Kansas City had voted at their last regularly scheduled meetings on September 6, 2001, to maintain existing rates.

At today's meeting, there was a consensus in favor of a 50-basis-point reduction in the discount rate, and the Board approved the pending requests for reductions in the discount rate from 3 percent to 2-1/2 percent, effective immediately for the Federal Reserve Banks of Richmond, Chicago, Minneapolis, Dallas, and San Francisco.

It was understood that a press release announcing the reduction would be issued. In addition, the Secretary was authorized to inform the remaining Reserve Banks, on their establishment of a basic discount rate of 2-1/2 percent, along with appropriate related rates, of the Board's approval of that schedule of rates. (NOTE: Subsequently, the remaining seven Reserve Banks established that schedule of rates and were informed of the Board's approval, effective September 17, for the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Atlanta, and Kansas City, and effective September 18, 2001, for the Federal Reserve Bank of St. Louis.)

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, September 14, 2001.

Implementation: Press release and wires from Ms. Johnson to the Reserve Banks, September 17, 2001.

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

Approved.
September 17, 2001.

The Board approved renewal by the Federal Reserve Banks of New York, Philadelphia, and Kansas City on September 6, and by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas, and San Francisco on September 13, 2001, of the formulas for calculating the flexible rates for extended and seasonal credit.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley, Meyer, and Gramlich.

Background: Office of the Secretary memorandum, September 14, 2001.

Implementation: Wire from Ms. Johnson to the Reserve Banks, September 17, 2001.