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

Existing rate maintained.
July 7, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on June 26, 2008, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/2 percent (an increase from 2-1/4 percent). The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, and San Francisco had voted on June 26 and the directors of the Federal Reserve Banks of New York and Philadelphia had voted on July 3 to maintain the existing rate. At its meeting on June 23, the Board had taken no action on similar requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit 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, July 3, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 7, 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.
July 7, 2008.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas,

and San Francisco on June 26, 2008, and by the Federal Reserve Banks of New York and Philadelphia on July 3 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, July 3, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, July 7, 2008.

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

Existing rate maintained.
July 21, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Kansas City and Dallas had voted on July 10, 2008, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/2 percent (an increase from 2-1/4 percent). The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, and San Francisco had voted on July 10 and the directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on July 17 to maintain the existing rate. At its meeting on July 7, the Board had taken no action on similar requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit 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 and Kroszner.

Background: Office of the Secretary memorandum, July 18, 2008.

Implementation: Wire from Mr. Frierson to the Reserve Banks, July 21, 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.
July 21, 2008.

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 10, 2008, and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on July 17 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 Kroszner.

Background: Office of the Secretary memorandum, July 18, 2008.

Implementation: Wire from Mr. Frierson to the Reserve Banks, July 21, 2008.

DISCOUNT AND ADVANCE RATES -- Requests by three Reserve Banks to increase the primary credit rate; requests by nine Reserve Banks to maintain the existing rate.

Existing rate maintained.
August 4, 2008.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Chicago, Kansas City, and Dallas had voted on July 24, 2008, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 2-1/2 percent (an increase from 2-1/4 percent). The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, St. Louis, and San Francisco had voted on July 24 and the directors of the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis had voted on July 31 to maintain the

existing rate. At its meeting on July 21, the Board had taken no action on similar requests by the Federal Reserve Banks of Kansas City and Dallas to increase the primary credit rate.

Federal Reserve Bank directors in favor of maintaining the existing primary credit rate expressed continued concern about the near-term economic outlook. They noted that stress in financial markets and the ongoing housing contraction were likely to damp economic growth further in the near term and saw appreciable downside risks to growth. However, they also noted that higher energy and food prices could pass through to core inflation measures. These directors concluded that the current stance of monetary policy achieved the appropriate balance between downside risks to growth and upside risks to inflation, and they preferred for now to monitor incoming information on the economy, financial markets, and inflation.

Federal Reserve Bank directors recommending a 25-basis-point increase in the primary credit rate agreed that real economic activity continued to be soft and that financial markets had not yet fully stabilized. However, they cited indications that higher input costs were being passed through to product prices and that inflation expectations had risen and judged that the upside risks to inflation were of greater concern than the downside risks to growth. These directors concluded that an increase in the primary credit rate was appropriate in these circumstances.

Today, Board members considered the primary credit rate and discussed, on a preliminary basis, their individual assessments of the appropriate rate and its communication, which would be the subject of the meeting of the Federal Open Market Committee tomorrow. 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, August 1, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 4, 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.
August 4, 2008.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on July 24, 2008, and by the Federal Reserve Banks of New York, Philadelphia, Atlanta, and Minneapolis on July 31 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, August 1, 2008.

Implementation: Wire from Ms. Johnson to the Reserve Banks, August 4, 2008.