
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.
May 23, 2005.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Atlanta and Kansas City had voted on May 12, 2005, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 4-1/4 percent (an increase from 4 percent). The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Dallas, and San Francisco had voted on May 12, and the directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on May 19 to maintain the existing rate.

At today's meeting, no sentiment was expressed for changing the primary credit rate, and the existing rate was maintained.

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

Background: Office of the Secretary memorandum, May 20, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, May 23, 2005.

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

**Approved.
May 23, 2005.**

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on May 12, 2005, and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on May 19 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, May 20, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, May 23, 2005.

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.
June 6, 2005.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Atlanta and Kansas City had voted on May 26, 2005, to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 4-1/4 percent (an increase from 4 percent). The directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Chicago, St. Louis, Dallas, and San Francisco had voted on May 26, and the directors of the Federal Reserve Banks of New York, Philadelphia, and Minneapolis had voted on June 2 to maintain the existing rate. At its meeting on May 23, the Board had considered, but had taken no action on, similar requests by the Federal Reserve Banks of Atlanta and Kansas City to increase the primary credit rate.

At today's meeting, no sentiment was expressed for changing the primary credit rate, and the existing rate was maintained.

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

Background: Office of the Secretary memorandum, June 3, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 6, 2005.

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

**Approved.
June 6, 2005.**

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Kansas City, Dallas, and San Francisco on May 26, 2005, and by the Federal Reserve Banks of New York, Philadelphia, and Minneapolis on June 2 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, June 3, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 6, 2005.

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

**Existing rate maintained.
June 20, 2005.**

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, and San Francisco had voted on June 9, 2005, and the directors of the Federal Reserve Banks of New York, Philadelphia, Chicago, Minneapolis, and Kansas City had voted on June 16 to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 4-1/4 percent (an increase from 4 percent). The directors of the Federal Reserve Banks of St. Louis and Dallas had voted on June 9 to maintain the existing rate. At its meeting on June 6, the Board had considered, but had taken no action on, requests by the Federal Reserve Banks of Atlanta and Kansas City to increase the primary credit rate.

Reserve Bank directors in favor of an increase in the primary credit rate viewed economic growth as satisfactory on balance, with relatively modest inflationary pressures and well-contained inflation expectations. In this light, the directors agreed that the gradual removal of monetary policy accommodation continued to be appropriate.

Reserve Bank directors in favor of maintaining the existing primary credit rate generally noted satisfactory economic performance, with some directors preferring to wait for more information before recommending a further removal of policy accommodation.

At today's meeting, no sentiment was expressed for changing the primary credit rate, and the existing rate was maintained.

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

Background: Office of the Secretary memorandum, June 17, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 20, 2005.

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

Approved.
June 20, 2005.

The Board approved renewal by the Federal Reserve Banks of Boston, Cleveland, Richmond, Atlanta, St. Louis, Dallas, and San Francisco on June 9, 2005, and by the Federal Reserve Banks of New York, Philadelphia, Chicago, Minneapolis, and Kansas City on June 16 of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, June 17, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 20, 2005.

DISCOUNT AND ADVANCE RATES -- Requests by twelve Reserve Banks to increase the primary credit rate.

Existing rate maintained.
June 27, 2005.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Chicago, Minneapolis, and Kansas City had voted on June 16, 2005, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Dallas, and San Francisco had voted on June 23 to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 4-1/4 percent (an increase from 4 percent). At its meeting on June 20, the Board had considered, but had taken no action on, requests by the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, and San Francisco to increase the primary credit rate.

The views of Reserve Bank directors in favor of increasing the primary credit rate were substantially similar to the views they had submitted for the Board's June 20 meeting. Directors who had favored maintaining the existing rate at that meeting also now supported an increase in the primary credit rate after reviewing recent economic conditions.

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 later this week. Against the background of recent and prospective economic developments, Board members tentatively favored a further step in the process of removing policy accommodation and discussed continuing to describe

the process as before. 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 Greenspan, Vice Chairman Ferguson, and Governors Bies, Olson, and Kohn.

Background: Office of the Secretary memorandum, June 24, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 27, 2005.

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

Approved.
June 27, 2005.

The Board approved renewal by the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Dallas, and San Francisco on June 23, 2005, of the formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs.

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

Background: Office of the Secretary memorandum, June 24, 2005.

Implementation: Wire from Ms. Johnson to the Reserve Banks, June 27, 2005.

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

Approved.
June 30, 2005.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Chicago, Minneapolis, and Kansas City had voted on June 16, 2005, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Dallas, and San Francisco had voted on June 23 to establish a rate for discounts and advances under the primary credit program (primary credit rate) of 4-1/4 percent (an increase from 4 percent). At its meeting on June 27, the Board had considered, but had taken no action on, those requests.

At today's meeting, there was a consensus for a 25-basis-point increase, and the Board approved an increase in the primary credit rate from 4 percent to 4-1/4 percent, effective immediately for the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco, and effective July 1 for the Federal Reserve Bank of St. Louis. At an earlier meeting today, the Federal Open Market Committee had decided to increase its target for the federal funds rate by 25 basis points to 3-1/4 percent. It was understood that a press release announcing the increases in the two rates would be issued.

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

Background: Office of the Secretary memorandum, June 24, 2005.

Implementation: Press release and wire from Ms. Johnson to the Reserve Banks, June 30, and Federal Register document, July 5, 2005.