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

Existing rate maintained.
October 11, 2016.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Bank of Chicago had voted on September 29, 2016, and the directors of the Federal Reserve Banks of New York and Minneapolis had voted on October 6, to reestablish the existing rate for discounts and advances (1 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Atlanta and Kansas City had voted on September 29, and the directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, St. Louis, Dallas, and San Francisco had voted on October 6, to establish a rate of 1-1/4 percent (an increase from 1 percent). At its meeting on September 19, the Board had taken no action on similar requests by the Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, Dallas, and San Francisco Reserve Banks 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: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, October 7, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 11, 2016.

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

Formulas renewed.
October 11, 2016.

The formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs were renewed by the Board for the Federal Reserve Banks of Atlanta, Chicago, and Kansas City on September 29, 2016, and for the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, St. Louis, Minneapolis, Dallas, and San Francisco on October 6.

Participating in this determination: Chair Yellen, Vice Chairman Fischer, and Governors Tarullo, Powell, and Brainard.

Background: Office of the Secretary memorandum, October 7, 2016.

Implementation: Transmissions from Mr. Frierson to the Reserve Banks, October 11, 2016.

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

Existing rate maintained.
October 31, 2016.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Chicago, and Minneapolis had voted on October 20, 2016, to reestablish the existing rate for discounts and advances (1 percent) under the primary credit program (primary credit rate). The directors of the Federal Reserve Banks of Boston, Philadelphia, Richmond, and St. Louis had voted on October 20, and the directors of the Federal Reserve Banks of Cleveland, Atlanta, Kansas City, Dallas, and San Francisco had voted on October 27, to establish a rate of 1-1/4 percent (an increase from 1 percent). At its meeting on October 11, the Board had taken no action on similar requests by the Boston, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, Dallas, and San Francisco Reserve Banks to increase the primary credit rate.

Federal Reserve Bank directors generally viewed the prospects for growth in economic activity as somewhat improved, although their reports varied across different sectors and geographic regions. Overall, directors continued to observe positive developments in labor markets, including increased labor force participation and a steady pace of hiring in some Districts. While several directors commented on tightening labor market conditions, especially for certain skilled positions, wage pressures were largely viewed as moderate. Some directors cited improvements in consumer spending, as well as increased activity in commercial and residential construction. Other directors also noted mixed performance in manufacturing and ongoing weakness in the agriculture and energy sectors. Inflation had increased since earlier this year, but it remains below the Federal Reserve's 2 percent objective.

Against this backdrop, some Federal Reserve Bank directors recommended that the primary credit rate be maintained at its current level of 1 percent. In general, they judged that the economic outlook and below-target inflation supported maintaining the current accommodative stance of monetary policy. Most Federal Reserve Bank directors recommended increasing the primary credit rate to 1-1/4 percent, in light of actual and expected strengthening in economic activity and labor markets and signs that these conditions are fostering a gradual return of inflation to 2 percent over the medium term.

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 discussed at the meeting of the Federal Open Market Committee this week. No sentiment was expressed for changing the primary credit rate before the Committee's meeting, and the existing rate was maintained. Thereafter, a discussion of economic and financial developments and issues related to possible policy actions took place.

Participating in this determination: Chair Yellen, Vice Chairman Fischer, and Governors Powell and Brainard.

Background: Office of the Secretary memorandum, October 28, 2016.

Implementation: Transmissions from Ms. Shanks to the Reserve Banks, October 31, 2016.

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

Formulas renewed.
October 31, 2016.

The formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs were renewed by the Board for the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Chicago, St. Louis, and Minneapolis on October 20, 2016, and for the Federal Reserve Banks of Cleveland, Atlanta, Kansas City, Dallas, and San Francisco on October 27.

Participating in this determination: Chair Yellen, Vice Chairman Fischer, and Governors Powell and Brainard.

Background: Office of the Secretary memorandum, October 28, 2016.

Implementation: Transmissions from Ms. Shanks to the Reserve Banks, October 31, 2016.