
DISCOUNT AND ADVANCE RATES -- Requests by twelve Reserve Banks to maintain the existing primary credit rate; requests to renew the secondary and seasonal credit formulas.

Existing rate and formulas approved.
October 5, 2020.

Today, Board members discussed economic and financial developments and issues related to possible policy actions. In connection with this discussion, Board members considered discounts and advances under the primary credit program (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 next joint meeting of the Board and the Federal Open Market Committee.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, Kansas City, and Dallas had voted on September 24, 2020, and the directors of the Federal Reserve Banks of Boston, Philadelphia, St. Louis, Minneapolis, and San Francisco had voted on October 1, to establish the primary credit rate at the existing level of 0.25 percent.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 0.25 percent. The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs for all twelve Reserve Banks. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for this action: Chair Powell, Vice Chair Clarida,
Vice Chair for Supervision Quarles, and
Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, October 2, 2020.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,

October 5, 2020.

DISCOUNT AND ADVANCE RATES -- Requests by twelve Reserve Banks to maintain the existing primary credit rate; requests to renew the secondary and seasonal credit formulas.

Existing rate and formulas approved.
October 26, 2020.

Today, Board members discussed economic and financial developments and issues related to possible policy actions. In connection with this discussion, Board members considered discounts and advances under the primary credit program (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 joint meeting of the Board and the Federal Open Market Committee (FOMC) next week.

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Philadelphia, St. Louis, and Kansas City had voted on October 15, 2020, and the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Dallas, and San Francisco had voted on October 22, to establish the primary credit rate at the existing level of 0.25 percent.

Federal Reserve Bank directors reported continued improvement in economic conditions, while noting that some sectors remain deeply affected by the pandemic. Several directors commented on the strength in residential real estate markets, including significant mortgage refinancing activity. Some directors reported a pickup in retail spending, citing strong online sales but also improved foot traffic at stores outside of malls and urban areas. Labor market conditions varied across sectors and Districts. While some directors reported increased hiring and competition for certain higher-skilled and entry-level positions, layoffs continued in other sectors, particularly leisure and hospitality. Overall, directors were cautious about the pace of future improvements in the economy, given continued uncertainty about the evolution of the pandemic and the potential implications for the outlook.

The directors of all twelve Federal Reserve Banks favored maintaining the current primary credit rate at the existing level (0.25 percent). In light of the uncertainties associated with the pandemic, the directors judged that it would be appropriate for the FOMC to maintain the current stance of policy to continue to support economic recovery and foster progress toward the FOMC's long-run goals of maximum employment and stable prices.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 0.25 percent. The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs for all twelve Reserve Banks. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for this action: Chair Powell, Vice Chair Clarida,
Vice Chair for Supervision Quarles, and
Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, October 23, 2020.

Implementation: Transmissions from Ms. Misback to the Reserve Banks,
October 26, 2020.

MONETARY POLICY IMPLEMENTATION -- Interest rate on required and excess reserve balances unchanged; rates on discounts and advances unchanged; renewal of secondary and seasonal credit formulas.

Approved.
November 5, 2020.

In a joint meeting of the Federal Open Market Committee (FOMC) and the Board today, the FOMC decided to maintain the target range for the federal funds rate at 0 to 1/4 percent, effective November 6, 2020. Consistent with the FOMC's decision to leave the target range for the federal funds rate unchanged, the Board approved maintaining the interest rate (0.10 percent) paid on required and excess reserve balances, effective November 6, 2020. At today's meeting, the Board also approved the establishment of the interest rate on discounts and advances made under the primary credit program (the primary credit rate) at the existing level (0.25 percent).

Subject to review and determination by the Board of Governors, the directors of the Federal Reserve Banks of Boston, Philadelphia, Atlanta, Chicago, St. Louis, Kansas City, and Dallas had voted on October 29, 2020, to establish the primary credit rate at

the existing level of 0.25 percent.

No sentiment was expressed by the Board at today's meeting for changing the primary credit rate at this time, and the Board approved the establishment of the primary credit rate at the existing level of 0.25 percent. The Board's action today on the primary credit rate also included renewal of the existing formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs. As specified by the formula for the secondary credit rate, this rate would be set 50 basis points above the primary credit rate. As specified by the formula for the seasonal credit rate, this rate would be reset every two weeks as the average of the daily effective federal funds rate and the rate on three-month CDs over the previous 14 days, rounded to the nearest 5 basis points.

Voting for these actions: Chair Powell, Vice Chair Clarida,
Vice Chair for Supervision Quarles, and
Governors Brainard and Bowman.

Background: Office of the Secretary memorandum, October 30, 2020.

Implementation: FOMC Statement (with attached Implementation Note) and
transmissions from Ms. Misback to the Reserve Banks,
November 5, 2020.