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MEDIA ADVISORY


January 05, 2022

NEW YORK—Beginning Monday, January 10, 2022, Federal Reserve Bank of New York staff will release a four-part series on its Liberty Street Economics blog about the Federal Reserve’s monetary policy implementation framework. One post in the series will go live each day between January 10 and January 13 at 7:00am EST.

The purpose of this series is to help explain how the Federal Reserve implements monetary policy today. This series is also a follow up to a speech by the New York Fed’s Lorie Logan, Manager of the System Open Market Account, last fall: Monetary Policy Implementation: Adapting to a New Environment. The blog series aims to clarify:

• How the Fed’s approach to keeping its key rate—the effective federal funds rate (EFFR)—within its target range has changed since the 2008 global financial crisis;

• The role of the Fed’s key policy implementation tools—the interest on reserve balances (IORB) and the overnight reverse repurchase (ON RRP) agreement facility—in supporting the current framework;

• How and why “technical adjustments” to the IORB and ON RRP rates are sometimes used to steer the EFFR without changing the Fed’s monetary policy stance; and,

• How the Fed’s new backstop facility announced last year—the domestic standing repurchase agreement (repo) facility—works to support control over the federal funds rate on occasions when money market pressures unexpectedly emerge.

Authors are: Gara Afonso, Lorie Logan, Antoine Martin, William Riordan, and Patricia Zobel.

Press Call on the Monetary Policy Implementation Framework Series:
An educational deep background press call will take place on Thursday, January 13 at 2:30pm EST to provide further context on the series. Journalists interested in participating should RSVP to Betsy Bourassa and Mariah Measey at Betsy.Bourassa@ny.frb.org and Mariah.Measey@ny.frb.org.

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