

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 7996  
November 19, 1976

DISCOUNT RATES

To All Member Banks, and Others Concerned,  
in the Second Federal Reserve District:

The directors of this Bank, with the approval of the Board of Governors of the Federal Reserve System, have reduced the Bank's discount rate to 5-1/4 percent from 5-1/2 percent, effective Monday, November 22, 1976.

Following is the text of a statement issued today by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System announced today the approval of actions by the directors of the Federal Reserve Banks of Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, Dallas and San Francisco, reducing the discount rate of those banks from 5-1/2 per cent to 5-1/4 per cent, effective Monday, November 22.

This action will bring the discount rate into better alignment with short-term market interest rates generally. The discount rate is the interest rate charged member commercial banks when they borrow from their district Federal Reserve Bank.

The new rate schedule for this Bank, effective November 22, 1976, is as follows:

	<i>Percent Per Annum</i>
<b>Advances to and discounts for member banks:</b>	
(a) Advances and discounts under sections 13 and 13a of the Federal Reserve Act, and advances under section 10(b) of the Act if secured by mortgage loans on one-family to four-family residences .....	5-1/4
(b) Advances under section 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule .....	5-3/4
(c) Advances for prolonged periods and in significant amounts under section 10(b) of the Federal Reserve Act, except advances secured by mortgage loans on one-family to four-family residences .....	6-1/4
<b>Advances to individuals, partnerships, and corporations other than member banks:</b>	
Advances under last paragraph of section 13 of the Federal Reserve Act .....	8-1/4

A copy of this Bank's Operating Circular No. 13, regarding discount rates, will be sent to you on November 22.

PAUL A. VOLCKER,  
*President.*