

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 8380  
June 30, 1978

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 increased the Bank's discount rate to 7-1/4 percent from 7 percent, effective Monday, July 3, 1978.

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 today announced its approval of actions by the directors of 8 Federal Reserve Banks, increasing the discount rate of those banks from 7 percent to 7-1/4 percent, effective Monday, July 3.

Action was taken in recognition of increases that have occurred recently in other short-term interest rates and to bring the discount rate into closer alignment with short-term rates generally.

The discount rate is the interest rate that member banks are charged when they borrow from their district Federal Reserve Banks. The new rate is effective at the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Chicago, St. Louis, Dallas and San Francisco.

The new rate schedule for this Bank, effective July 3, 1978, is as follows:

	<i>Percent Per Annum</i>
<i>Advances to and discounts for member banks:</i>	
(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.....	7-1/4
(b) Advances under section 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule .....	7-3/4
(c) Advances for prolonged periods and for significant amounts under section 10(b) of the Federal Reserve Act, except advances secured by mortgage loans on one-family to four-family residences.....	8-1/4
<i>Advances to individuals, partnerships, and corporations other than member banks:</i>	
Advances under last paragraph of section 13 of the Federal Reserve Act .....	10-1/4

A copy of this Bank's Operating Circular No. 13, regarding discount rates, will be sent to you on July 3.

PAUL A. VOLCKER,  
President.

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