

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 8637  
September 18, 1979

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 11 percent from 10-1/2 percent, effective Wednesday, September 19, 1979.

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

The Federal Reserve Board today approved actions by the directors of the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Dallas and San Francisco, increasing the discount rates of those Banks from 10-1/2 percent to 11 percent, effective Wednesday, September 19.

The action was taken against the background of recent increases in other short-term interest rates, to bring the discount rate into closer alignment with short-term rates generally, and to discourage excessive borrowing by member banks at the discount window.

The discount rate is the interest rate that member banks are charged when they borrow from their district Federal Reserve Banks.

The new rate schedule for this Bank, effective September 19, 1979, 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 .....	11
(b) Advances under section 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule .....	11-1/2
(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 .....	12
<i>Advances to individuals, partnerships, and corporations other than member banks:</i>	
Advances under last paragraph of section 13 of the Federal Reserve Act .....	14

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

THOMAS M. TIMLEN,  
First Vice President.