

**FEDERAL RESERVE BANK
OF NEW YORK**

Circular No. 8757
February 15, 1980

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 13 percent from 12 percent, effective today, February 15, 1980.

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

The Federal Reserve Board today approved an increase in the discount rate from 12 percent to 13 percent, effective immediately. The discount rate is the interest rate that member banks are charged when they borrow from their district Federal Reserve Banks.

The Board has been particularly concerned that recent economic developments, including the large increase in the price of imported oil, are adding to inflationary pressures and may lead to further destabilizing pricing decisions. These developments underscore the need to take such measures as may be required to maintain firm control over growth of money and credit.

In making the change, the Board acted on requests from the directors of the Federal Reserve Banks of New York, Cleveland and San Francisco.

Enclosed is a copy of this Bank's Operating Circular No. 13, regarding discount rates.

THOMAS M. TIMLEN,
First Vice President.

FEDERAL RESERVE BANK
OF NEW YORK

[Operating Circular No. 13]
Revised February 15, 1980]

DISCOUNT RATES

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

1. This Bank has established the following new rates, effective February 15, 1980:

A rate of 13 percent per annum on advances to, and discounts for, member banks under sections 13 and 13a of the Federal Reserve Act, and on advances under section 10(b) of the Act if secured by mortgage loans on one-family to four-family residences.

A rate of 13½ percent per annum on advances to member banks under section 10(b) of the Federal Reserve Act, except as otherwise indicated herein.

A rate of 14 percent per annum on advances to member banks 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.

A rate of 16 percent per annum on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of section 13 of the Federal Reserve Act.

Shown on the reverse side is the schedule of rates now in effect at this Bank on advances and discounts made under the Federal Reserve Act.

2. This circular supersedes our Operating Circular No. 13, Revised effective October 8, 1979.

THOMAS M. TIMLEN,
First Vice President.

(OVER)

Rate Schedule, Effective February 15, 1980

Percent
Per Annum

Advances to and discounts for member banks:

- (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 13
- (b) Advances under section 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule 13½
- (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 14

Advances to individuals, partnerships, and corporations other than member banks:

- Advances under last paragraph of section 13 of the Federal Reserve Act 16

A rate of 13 percent per annum on advances to member banks under section 13 and 13a of the Federal Reserve Act, and on advances under section 10(b) of the Act if secured by mortgage loans on one-family to four-family residences.

A rate of 13½ percent per annum on advances to member banks under section 10(b) of the Federal Reserve Act, except as otherwise indicated herein.

A rate of 14 percent per annum on advances to member banks 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.

A rate of 16 percent per annum on advances to individuals, partnerships, and corporations other than member banks under the last paragraph of section 13 of the Federal Reserve Act.

Shown on the reverse side is the schedule of rates now in effect at this bank on advances and discounts made under the Federal Reserve Act.

5 This circular supersedes our Operating Circular No. 13, Revised effective October 8, 1979.

THOMAS M. TURNER
First Vice President

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