

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 8884
July 25, 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 reduced the Bank's discount rate to 10 percent from 11 percent, effective Monday, July 28, 1980.

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 a reduction in the discount rate from 11% to 10%, effective Monday, July 28. The action is a purely technical adjustment to bring the discount rate into alignment with the level of short-term market interest rates and bank lending rates.

In making the change, the Board acted on requests from the directors of the Federal Reserve Banks of New York, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas and San Francisco. The discount rate is the interest rate that is charged for borrowings from the district Federal Reserve Banks.

The new rate schedule for this Bank, effective July 28, 1980, 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 ..	10
(b) Advances under section 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule	10½
(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.....	11
<i>Advances to individuals, partnerships, and corporations other than member banks:</i>	
Advances under last paragraph of section 13 of the Federal Reserve Act.....	13

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

ANTHONY M. SOLOMON,
President.