

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 8923
September 25, 1980

DISCOUNT RATES

To All Depository Institutions
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 raised the Bank's discount rate to 11 percent from 10 percent, effective Friday, September 26, 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 announced an increase in the discount rate from 10 percent to 11 percent, effective tomorrow.

This action is part of the continuing policy of the Federal Reserve to discourage excessive growth in the monetary aggregates. In taking the action, the Board also took note of recent appreciable increases in borrowings at the Federal Reserve discount window as short-term market interest rates have risen significantly above the 10 percent discount rate that has been in effect since July 28.

In adopting the change, the Board approved action by the boards of directors of all 12 Federal Reserve Banks.

The new rate schedule for this Bank, effective September 26, 1980, is as follows:

	<u>Percent</u> <u>Per Annum</u>
<u>Advances to and discounts for depository institutions:</u>	
(a) Advances and discounts under sections 13, 13a, and 10(b) of the Federal Reserve Act, except as otherwise provided in this schedule.....	11
(b) Advances for prolonged periods and in significant amounts under section 10(b) of the Federal Reserve Act.....	12
<u>Advances to individuals, partnerships, and corporations other than depository institutions:</u>	
Advances under the 13th 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 shortly.

ANTHONY M. SOLOMON,
President.