

PRIMARY CREDIT RATE CHANGE

August 20, 2007

The Federal Reserve Board approved action by the Board of Directors of the Federal Reserve Bank of St. Louis, decreasing the primary credit rate from 6.25 percent to 5.75 percent, effective August 20, 2007.

According to the Federal Reserve press release:

To promote the restoration of orderly conditions in financial markets, the Federal Reserve Board approved temporary changes to its primary credit discount window facility. The Board approved a 50 basis point reduction in the primary credit rate to 5-3/4 percent, to narrow the spread between the primary credit rate and the Federal Open Market Committee's target federal funds rate to 50 basis points. The Board is also announcing a change to the Reserve Banks' usual practices to allow the provision of term financing for as long as 30 days, renewable by the borrower. These changes will remain in place until the Federal Reserve determines that market liquidity has improved materially. These changes are designed to provide depositories with greater assurance about the cost and availability of funding. The Federal Reserve will continue to accept a broad range of collateral for discount window loans, including home mortgages and related assets. Existing collateral margins will be maintained.

If you have any questions, please call Hillary Debenport, Assistant Vice President, toll free at 1-866-666-8316, or locally at (314) 444-8488.