

**DATE:** November 7, 2002

**SUBJECT:** Regulation A (Extensions of Credit by Federal Reserve Banks)  
--Final Rule Amending Regulation A (Docket No. R-1123)

**HIGHLIGHTS:** The Board of Governors has published final amendments to Regulation A that replace the existing adjustment and extended credit programs with programs called primary and secondary credit, and also reorganize and streamline existing provisions of Regulation A. These changes are intended to improve the functioning of the discount window, and do not indicate a change in the stance of monetary policy. The final rule leaves the existing seasonal credit program essentially unchanged.

The Board also approved a related technical amendment to the reserve deficiency penalty provision of Regulation D, which is calculated based on the discount rate, to conform the calculation of penalties to the new discount rate framework.

This final rule will become effective on January 9, 2003.

**DOCUMENT LOCATION:** The Board's October 31, 2002 press release/final rule is available under the press releases section of the Board's web site:  
<http://www.federalreserve.gov/boarddocs/press/bcreg/2002/>

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