

DATE: June 5, 2002

SUBJECT: Regulation A (Extensions of Credit by Federal Reserve Banks)--
Proposal to revise discount window programs (Docket No. R-1123)

HIGHLIGHTS: The Board of Governors is publishing for comment a proposed amendment to Regulation A that would replace the existing adjustment and extended credit programs with new discount window programs called primary credit and secondary credit, respectively. This proposed restructuring of Federal Reserve credit programs is designed to improve the functioning of the discount window and does not represent a change in the stance of monetary policy. The proposed rule also would reorganize and streamline existing provisions of Regulation A.

Also, although the proposed changes retain the seasonal credit program, the Board is requesting comment on whether a seasonal credit program remains necessary and, if so, whether the interest rate should be set at the primary discount rate.

The Board solicits comment on all aspects of the proposal.

Comments are due by August 22, 2002.

DOCUMENT LOCATION: The Board's May 17, 2002 press release-proposal 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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