



FEDERAL RESERVE SYSTEM

12 CFR Part 201

[Docket No. 1874]

RIN 7100-AH06

Regulation A: Extensions of Credit by Federal Reserve Banks

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System (“Board”) has adopted final amendments to its Regulation A to reflect the Board’s approval of a decrease in the rate for primary credit at each Federal Reserve Bank. The secondary credit rate at each Reserve Bank automatically decreased by formula as a result of the Board’s primary credit rate action.

DATES: *Effective date:* This rule (amendments to part 201 (Regulation A)) is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Applicability date: The rate changes for primary and secondary credit were applicable on October 30, 2025.

FOR FURTHER INFORMATION CONTACT: M. Benjamin Snodgrass, Special Counsel (202-263-4877), Legal Division, or Francis Martinez, Financial Institution & Policy Analyst (202-243-8717), Division of Monetary Affairs; for users of telephone systems via text telephone (TTY) or any TTY-based Telecommunications Relay Services, please call 711 from any telephone, anywhere

in the United States; Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551.

SUPPLEMENTARY INFORMATION: The Federal Reserve Banks make primary and secondary credit available to depository institutions as a backup source of funding on a short-term basis, usually overnight. The primary and secondary credit rates are the interest rates that the twelve Federal Reserve Banks charge for extensions of credit under these programs. In accordance with the Federal Reserve Act, the primary and secondary credit rates are established by the boards of directors of the Federal Reserve Banks, subject to review and determination of the Board.

On October 29, 2025, the Board voted to approve a 0.25 percentage point decrease in the primary credit rate, thereby decreasing the primary credit rate from 4.25 percent to 4.00 percent. In addition, the Board had previously approved the renewal of the secondary credit rate formula, the primary credit rate plus 50 basis points. Under the formula, the secondary credit rate decreased by 0.25 percentage points as a result of the Board's primary credit rate action, thereby decreasing the secondary credit rate from 4.75 percent to 4.50 percent. The amendments to Regulation A reflect these rate changes.

The 0.25 percentage point decrease in the primary credit rate was associated with a 0.25 percentage point decrease in the target range for the federal funds rate (from a target range of 4 percent to 4¼ percent to a target range of 3¾ percent to 4 percent) announced by the Federal Open Market Committee on October 29, 2025, as described in the Board's amendment of its Regulation D published elsewhere in today's Federal Register.

Administrative Procedure Act

In general, the Administrative Procedure Act (“APA”)¹ imposes three principal requirements when an agency promulgates legislative rules (rules made pursuant to Congressionally delegated authority): (1) publication with adequate notice of a proposed rule; (2) followed by a meaningful opportunity for the public to comment on the rule’s content; and (3) publication of the final rule not less than 30 days before its effective date. The APA provides that notice and comment procedures do not apply if the agency for good cause finds them to be “unnecessary, impracticable, or contrary to the public interest.”² Section 553(d) of the APA also provides that publication at least 30 days prior to a rule’s effective date is not required for (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) a rule for which the agency finds good cause for shortened notice and publishes its reasoning with the rule.³ The APA further provides that the notice, public comment, and delayed effective date requirements of 5 U.S.C. 553 do not apply “to the extent that there is involved . . . a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.”⁴

¹ 5 U.S.C. 551 *et seq.*

² 5 U.S.C. 553(b)(3)(A).

³ 5 U.S.C. 553(d).

⁴ 5 U.S.C. 553(a)(2).

Regulation A establishes the interest rates that the twelve Reserve Banks charge for extensions of primary credit and secondary credit. The Board has determined that the notice, public comment, and delayed effective date requirements of the APA do not apply to these final amendments to Regulation A. The amendments involve a matter relating to loans and are therefore exempt under the terms of the APA. Furthermore, because delay would undermine the Board's action in responding to economic data and conditions, the Board has determined that "good cause" exists within the meaning of the APA to dispense with the notice, public comment, and delayed effective date procedures of the APA with respect to the final amendments to Regulation A.

Regulatory Flexibility Analysis

The Regulatory Flexibility Act ("RFA") does not apply to a rulemaking where a general notice of proposed rulemaking is not required.⁵ As noted previously, a general notice of proposed rulemaking is not required if the final rule involves a matter relating to loans. Furthermore, the Board has determined that it is unnecessary and contrary to the public interest to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and final regulatory flexibility analysis do not apply.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act ("PRA") of 1995,⁶ the Board reviewed the final rule under the authority delegated to the Board by the

⁵ 5 U.S.C. 603, 604.

⁶ 44 U.S.C. 3506; *see* 5 CFR part 1320, appendix A.1.

Office of Management and Budget. The final rule contains no requirements subject to the PRA.

List of Subjects in 12 CFR Part 201

Banks, banking, Federal Reserve System, Reporting and recordkeeping.

Authority and Issuance

For the reasons set forth in the preamble, the Board is amending 12 CFR chapter II as follows:

PART 201—EXTENSIONS OF CREDIT BY FEDERAL RESERVE BANKS (REGULATION A)

1. The authority citation for part 201 continues to read as follows:

Authority: 12 U.S.C. 248(i)-(j), 343 *et seq.*, 347a, 347b, 347c, 348 *et seq.*, 357, 374, 374a, and 461.

2. In § 201.51, paragraphs (a) and (b) are revised to read as follows:

§ 201.51 Interest rates applicable to credit extended by a Federal Reserve Bank.³

(a) *Primary credit.* The interest rate at each Federal Reserve Bank for primary credit provided to depository institutions under § 201.4(a) is 4.00 percent.

(b) *Secondary credit.* The interest rate at each Federal Reserve Bank for secondary credit provided to depository institutions under § 201.4(b) is 4.50 percent.

* * * * *

³ The primary, secondary, and seasonal credit rates described in this section apply to both advances and discounts made under the primary, secondary, and seasonal credit programs, respectively.

By order of the Board of Governors of the Federal Reserve System.

Benjamin W. McDonough,
Deputy Secretary of the Board.

[FR Doc. 2025-19888 Filed: 11/13/2025 8:45 am; Publication Date: 11/14/2025]