FEDERAL RESERVE BANK OF CHICAGO
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OCTOBER 16, 2025

A joint meeting of the Boards of Directors of the Federal Reserve Bank of Chicago and New York convened at 10:00 a.m. on Thursday, October 16, 2025, pursuant to notice duly given.

MEETING PARTICIPANTS

	Chicago	**New York**
Chairs:	Ms. Scanlon	Ms. Wang
Directors:	Mr. Salgado	Mr. Buhrmaster
	Mr. Habiger	Ms. Friedman
	Ms. Hubbard	Mr. Jones
	Ms. Jojo	Mr. Kennedy
	Mr. O'Grady	Mr. Krishna
	Ms. Pruitt	Mr. Rechler
	Mr. Smith	Mr. Shah
	Ms. Whitson	Ms. White
	Mr. Hall (Detroit Branch)	
Bank Management:	Mr. Goolsbee	Mr. Williams
	Ms. Bromagen	Ms. Shukla
	Mr. Aaronson	Mr. Armstrong
	Ms. Butler	Mr. Athreya
	Ms. Clay	Ms. Dingman
	Mr. Edwards	Ms. Dobbeck
	Ms. Harris	Ms. Gourji
	Mr. Krane	Mr. Gutt
	Mr. Martin	Ms. Nistor
	Ms. McGranahan	Ms. Nordstrom
	Ms. Medina	Mr. Ostrander
	Mr. Peters	Mr. Veron
	Ms. Rissman	
	Ms. Schrepfer	
	Mr. Wilder	
	Ms. Wisby	
Audit Management:	Mr. Schur	Mr. Blackwood
Guests:	Ms. Butcher	Mr. Chen
	Mr. Garcia-Jimeno	Mr. Cruz
	Mr. King	Ms. DeHaven
		Ms. Elio
		Ms. Hinds
		Ms. Laubscher
		Ms. Li
		Mr. McCarthy
		Mr. Perli

		Mr. Phillips Ms. Sbordone Mr. Wagner Mr. Zeng
Office of Directors/ Corporate Secretary:	Mr. Butiong Ms. Chiang Ms. Joslyn	Ms. Bonthu Ms. Casellas-Barnes Ms. Carofalo Ms. Hewlin Ms. Shenker
Federal Reserve Financial Services:	Mr. Gould	
Board of Governors:	Ms. Fennel Ms. Stitely Ms. Stone Ms. Pohutsky Ms. Riley	

WELCOME

Ms. Wang and Ms. Scanlon welcomed participants to the meeting and highlighted the importance of cross-Federal Reserve collaboration between the New York Fed and the Chicago Fed. Mr. Williams and Mr. Goolsbee provided brief remarks.

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FEDERAL RESERVE FINANCIAL SERVICES UPDATE

Mr. Gould provided an update on Federal Reserve Financial Services (FRFS). He introduced Shonda Clay and outlined her executive responsibilities. Mr. Gould then discussed major accomplishments, current efforts, and strategic priorities for the FRFS enterprise in 2026 and 2027. He concluded by responding to directors' questions.

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FINANCIAL MARKETS UPDATE

Mr. Perli presented on Financial Markets, reporting market expectations of a 25-basis point rate cut at the October Federal Open Market Committee (FOMC) meeting. Treasury yields and the trade-weighted dollar are little changed since the September FOMC meeting, and the Fed balance sheet is transitioning from abundant to ample reserves. A discussion ensued regarding the potential impact of Artificial Intelligence (AI) on financial markets.

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HOW IMMIGRATION RESTRICTIONS IMPACT THE US ECONOMY AND US ECONOMIC CONDITIONS

Mr. Cruz provided an update on U.S. economic conditions. Mr. Cruz reported that Real Gross Domestic Product grew at a 1.6 percent annual rate in the first half of the year, labor market conditions have cooled, and inflation is projected to be around 3 percent and 2.5 percent in 2025 and 2026, respectively. Mr. Cruz also discussed the size and evolution of the immigrant population in the United States, evaluating the effects of international migration on the domestic economy. They concluded by responding to directors' questions.

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CENTRAL BANK INDEPENDENCE

Mr. Athreya discussed the logic of why central bank independence helps deliver improved outcomes on inflation and growth. He further summarized lessons from how independence has mattered for real world inflation experiences. He concluded by responding to directors' questions.

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DIRECTORS' COMMENTS

The Chicago and New York directors discussed business conditions in their respective sectors of the economy.

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RESERVE BANK PRESIDENTS' COMMENTS

Mr. Goolsbee and Mr. Williams shared their perspectives on the current economic conditions.

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Joint board meeting adjourned at 12:50 p.m.

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CHICAGO BUSINESS SESSION

The Chicago Directors and Management held a business session immediately following its joint meeting with the New York Federal Reserve Bank Board of Directors.

APPROVAL OF CONSENT AGENDA

UPON MOTION duly made and seconded, the Chicago Board unanimously approved the following consent agenda items:

1. Board Meeting Minutes
   - D-2331 – August 21, 2025; Discount Rate Notational Vote
   - D-2332 – September 3, 2025; In-person Board Meeting
   - D-2333 – September 4, 2025; In-person Board Meeting
   - D-2334 – September 18, 2025; Discount Rate Telephone Meeting

2. 2025 Board Committee Minutes from the September 3 Joint Audit Committee and System Activities, Bank Operations and Risk Committee Meeting

3. Election of FOMC Voting Member and Alternate

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DISCOUNT RATE RECOMMENDATION

Mr. Goolsbee shared his perspectives on monetary policy and recommended that the directors maintain the primary credit rate at 4.25 percent and to set the secondary and seasonal credit rates according to their established formulas.

UPON MOTION duly made and seconded, the directors unanimously voted to maintain the primary credit rate at 4.25 percent, to reaffirm that the rate for secondary credit be set 50 basis points above the primary credit rate, and to continue setting the rate for seasonal credit according to the established formula.

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Audit and SABOR Committee Reports

Written reports from the October 15th Audit Committee meeting and October 16th SABOR Committee meeting will be shared with the Board by email following the meeting.

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The meeting concluded without convening in executive session.

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The Regular Session adjourned at 12:05 p.m.

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- Corporate Secretary