FOMC, September 17, 2025, Press Release – Changes from July 30, 2025

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Summary:

- Recent indicators suggest that growth of economic activity moderated in the first half of the year. (No Change)
- Job gains have slowed, and unemployment rate has edged up but remains low. (Change)
- Inflation has moved up and remains somewhat elevated. (Change)
- Uncertainty around the economic outlook remains elevated. (No Change)
- In support of its goals and in light of the shift in the balance of risks, the Committee decided to lower the target range for the federal funds rate by 1/4 percentage point to 4 to 4 -1/4 percent. (Change)
- In considering additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. (No Change)
- The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. (No Change)
- Continue reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities. (No Change)
- The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. (No Change)
- Stephen I. Miran preferred to lower the target range for the federal funds rate by 1/2 percentage point (Change)

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Press Release

September 17 ~~July 30~~, 2025

Federal Reserve issues FOMC statement

For release at 2:00 p.m. EDT

Recent ~~Although swings in net exports continue to affect the data, recent~~ indicators suggest that growth of economic activity moderated in the first half of the year. Jib gains have slowed, and the ~~The~~ unemployment rate **has edged up but** remains low~~, and labor market conditions remain solid~~. Inflation **has moved up and** remains somewhat elevated.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Uncertainty about the economic outlook remains elevated. The Committee is attentive to the risks to both sides of its dual mandate **and judges that downside risks to employment have risen**.

In support of its goals **and in light of the shift in the balance of risks**, the Committee decided to **lower** ~~maintain~~ the target range for the federal funds rate **by** ~~at 4-~~1/4 percentage point to **4 to 4 1/4** ~~4-1/2~~ percent. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; Susan M. Collins; Lisa D. Cook; Austan D. Goolsbee; Philip N. Jefferson; Alberto G. Musalem; ~~and~~ Jeffrey R. Schmid; **and Christopher Waller**. Voting against this action **was** Stephen I. Miran ~~were and Christopher J. Waller~~, who preferred to lower the target range for the federal funds rate by **1/2** ~~1/4~~ percentage point at this meeting. ~~Absent and not voting was Adriana D. Kugler.~~

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https://www.federalreserve.gov/newsevents/pressreleases/monetary20250730a.htm

Press Release

July 30, 2025

Implementation Note issued July 30, 2025

Decisions Regarding Monetary Policy Implementation

The Federal Reserve has made the following decisions to implement the monetary policy stance announced by the Federal Open Market Committee in its statement on July 30, 2025:

- The Board of Governors of the Federal Reserve System voted unanimously to maintain the interest rate paid on reserve balances at 4.4 percent, effective July 31, 2025.
- As part of its policy decision, the Federal Open Market Committee voted to direct the Open Market Desk at the Federal Reserve Bank of New York, until instructed otherwise, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

"Effective July 31, 2025, the Federal Open Market Committee directs the Desk to:

  - Undertake open market operations as necessary to maintain the federal funds rate in a target range of 4-1/4 to 4-1/2 percent.
  - Conduct standing overnight repurchase agreement operations with a minimum bid rate of 4.5 percent and with an aggregate operation limit of $500 billion.
  - Conduct standing overnight reverse repurchase agreement operations at an offering rate of 4.25 percent and with a per-counterparty limit of $160 billion per day.
  - Roll over at auction the amount of principal payments from the Federal Reserve's holdings of Treasury securities maturing in each calendar month that exceeds a cap of $5 billion per month. Redeem Treasury coupon securities up to this monthly cap and Treasury bills to the extent that coupon principal payments are less than the monthly cap.
  - Reinvest the amount of principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities (MBS) received in each calendar month that exceeds a cap of $35 billion per month into Treasury securities to roughly match the maturity composition of Treasury securities outstanding.
  - Allow modest deviations from stated amounts for reinvestments, if needed for operational reasons."

- In a related action, the Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 4.5 percent.

This information will be updated as appropriate to reflect decisions of the Federal Open Market Committee or the Board of Governors regarding details of the Federal Reserve's operational tools and approach used to implement monetary policy.

More information regarding open market operations and reinvestments may be found on the Federal Reserve Bank of New York's website.

Last Update: July 30, 2025