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## Fed Leaves Target Rate Unchanged

After two days of deliberation, the Federal Open Market Committee, a branch of the Federal Reserve, decided to continue to hold the federal funds rate steady at 5.25%.

Over the past two years the Fed has raised rates 17 consecutive times, in an effort to curb growing inflation due to a booming economy. Since the beginning of the housing market slump last year, the Committee has paused its interest rate to evaluate the state of the U.S. markets and inflation.

In a statement, the Committee relayed that continued fears of rising inflation spurred their decision, saying that "some inflation risks remain."

Apparently these risks are the product of positive economic reports in the housing area and job markets. "Recent indicators have suggested somewhat firmer economic growth, and some tentative signs of stabilization have appeared in the housing market. Overall, the economy seems likely to expand at a moderate pace over coming quarters."

This is unwelcome news for those hoping for interest rate cuts. The federal funds rate is highly influential in determining bank interest rates and mortgage lending rates around the country.

The FOMC's rate decision was made by a unanimous 11-0 vote by its members. The group will meet again March 20-21 to re-determine the direction of interest rates.