

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF RESEARCH AND STATISTICS

Date: March 9, 2009
To: Federal Open Market Committee
From: Dave Stockton
Subject: Economic Effects of Large-Scale Asset Purchases

The attached memo by Eileen Mauskopf and Dave Reifschneider, “Economic Effects of Large-Scale Purchases of Long-Term Treasury Securities and Agency Debt and MBS,” provides further background information on the macroeconomic effects of large-scale asset purchase (LSAP) programs. Additional information on other aspects of LSAP programs, including exit strategies, will be presented in a forthcoming memo by Joseph Gagnon, David Lucca, Jonathan McCarthy, and Jennifer Roush.