

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
DIVISION OF MONETARY AFFAIRS
FOMC SECRETARIAT

Date: March 8, 2013
To: Federal Open Market Committee
From: Deborah J. Danker
Subject: Background Memo for Discussion of Asset Purchases – Efficacy of Asset Purchases

The attached memo, “Evaluating the Efficacy of the Federal Reserve’s Large-Scale Asset Purchases,” is the only one that will be provided in connection with the first item on the bulleted list below.

As a reminder, the background memos for the review of asset purchases that is planned for the March FOMC meeting will cover:

- the efficacy of asset purchases,
- the effects of purchases on market functioning,
- the risks associated with “reaching for yield” and a possible jump in long-term interest rates, and
- the fiscal implications of purchases.