

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

Date: March 11, 2009
To: Federal Open Market Committee
From: Brian Madigan
Subject: Large-Scale Asset Purchases

The attached memo by Joseph Gagnon, David Lucca, Jonathan McCarthy, Julie Remache, and Jennifer Roush, “Expanding Large-Scale Asset Purchases: Effectiveness, Benefits, Risks, and Strategies,” provides further analysis of a possible expansion in the size and scope of the Federal Reserve’s asset purchases. This memo complements the paper by Eileen Mauskopf and Dave Reifschneider, “Economic Effects of Large-Scale Purchases of Long-Term Treasury Securities and Agency Debt and MBS,” which was provided to the Committee earlier this week.