

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 – Supporting Documents on the Fiscal Implications of Asset Purchases

The attached supporting documents, “Alternatives for Federal Reserve Remittance Policy” and “Foreign Central Bank Remittance Practices,” are being provided in connection with the last item on the bulleted list below. Please note that the main memo on this item will be distributed early next week.

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.