

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

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**Date:** March 11, 2013  
**To:** Federal Open Market Committee  
**From:** Deborah J. Danker  
**Subject:** Background Memo for Discussion of Asset Purchases –Fiscal Implications of Asset Purchases

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The attached supporting document, “Fiscal Implications of Additional Large-Scale Asset Purchases for the Federal Government and the Federal Reserve,” is being provided as the main memo in connection with the last 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.