

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

---

**Date:** August 28, 2012  
**To:** Federal Open Market Committee  
**From:** Deborah J. Danker  
**Subject:** Background Memo on Flow-Based Balance Sheet Policies

---

We are distributing the attached memo, “Flow-Based Balance Sheet Policies: Communication Issues and Macroeconomic Effects,” as background for the upcoming FOMC meeting.