

Monetary Policy and the Mortgage Market

Eric S. Rosengren
President & CEO
Federal Reserve Bank of Boston

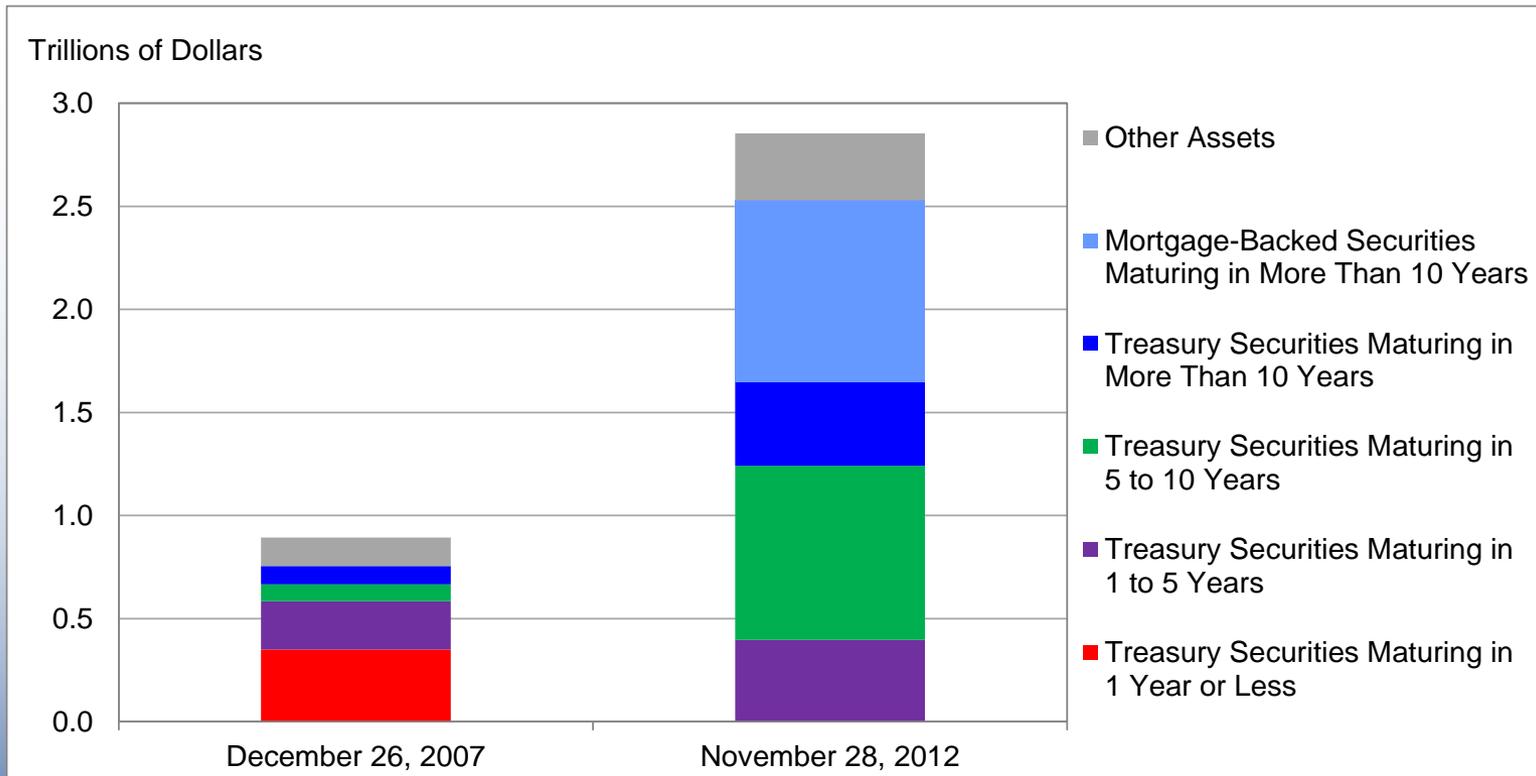
Federal Reserve Bank of New York

December 3, 2012

Figure 1

Federal Reserve System Assets

December 26, 2007 and November 28, 2012

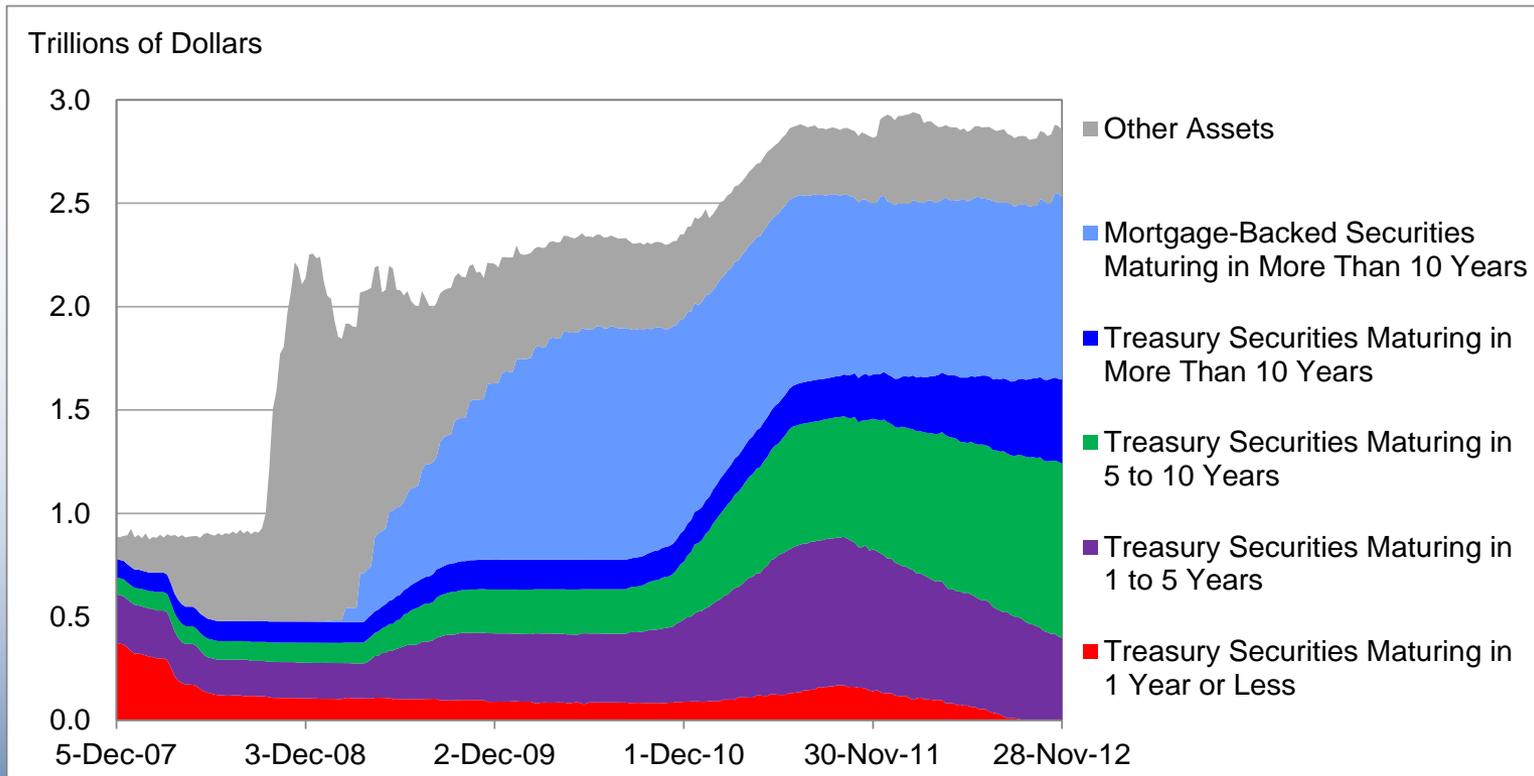


Source: Federal Reserve Statistical Release H.4.1 / Haver Analytics

Figure 2

Federal Reserve System Assets

December 5, 2007 - November 28, 2012

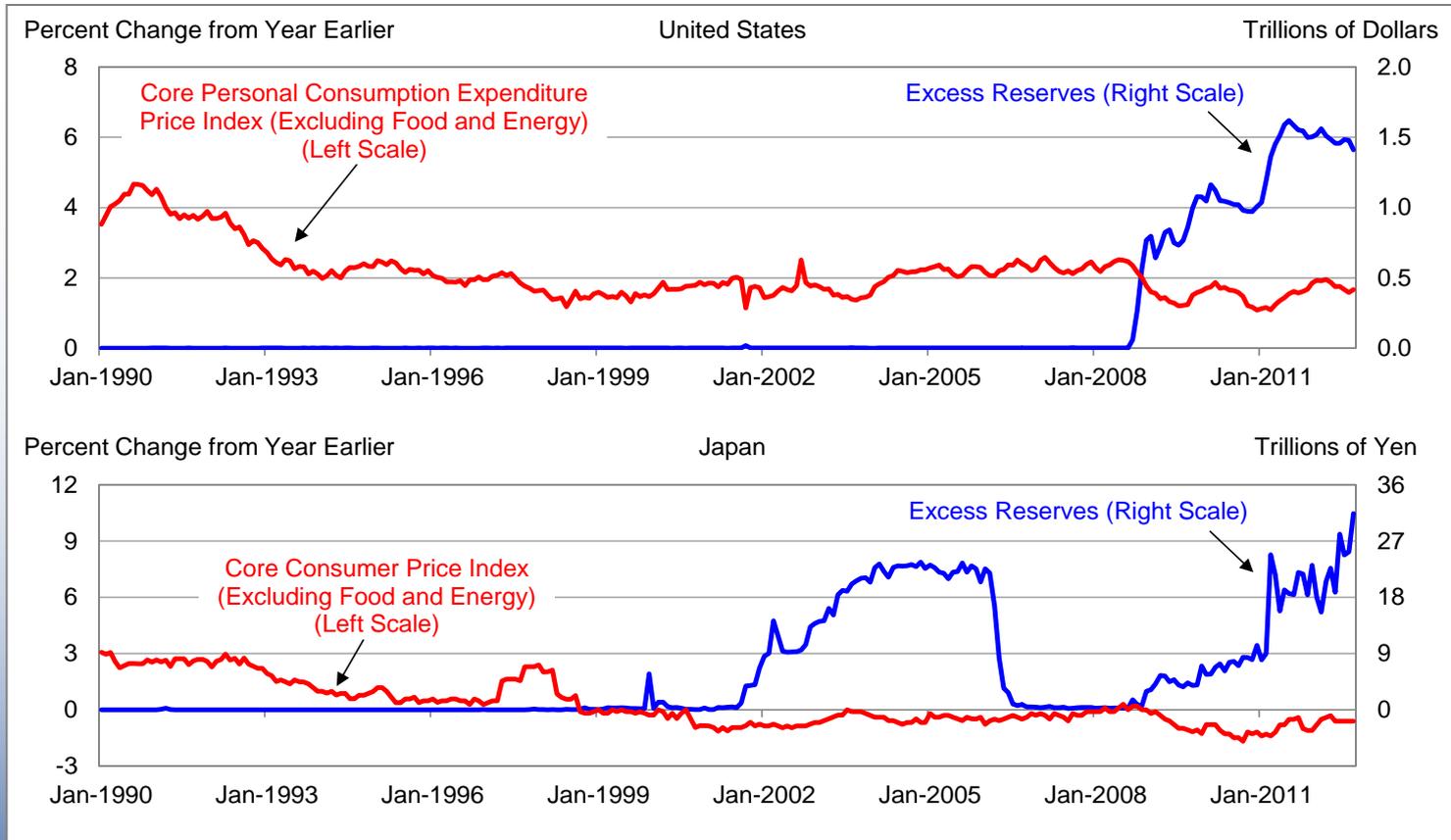


Source: Federal Reserve Statistical Release H.4.1 / Haver Analytics

Figure 3

Excess Reserves and Inflation in the U.S. and Japan

January 1990 - September 2012

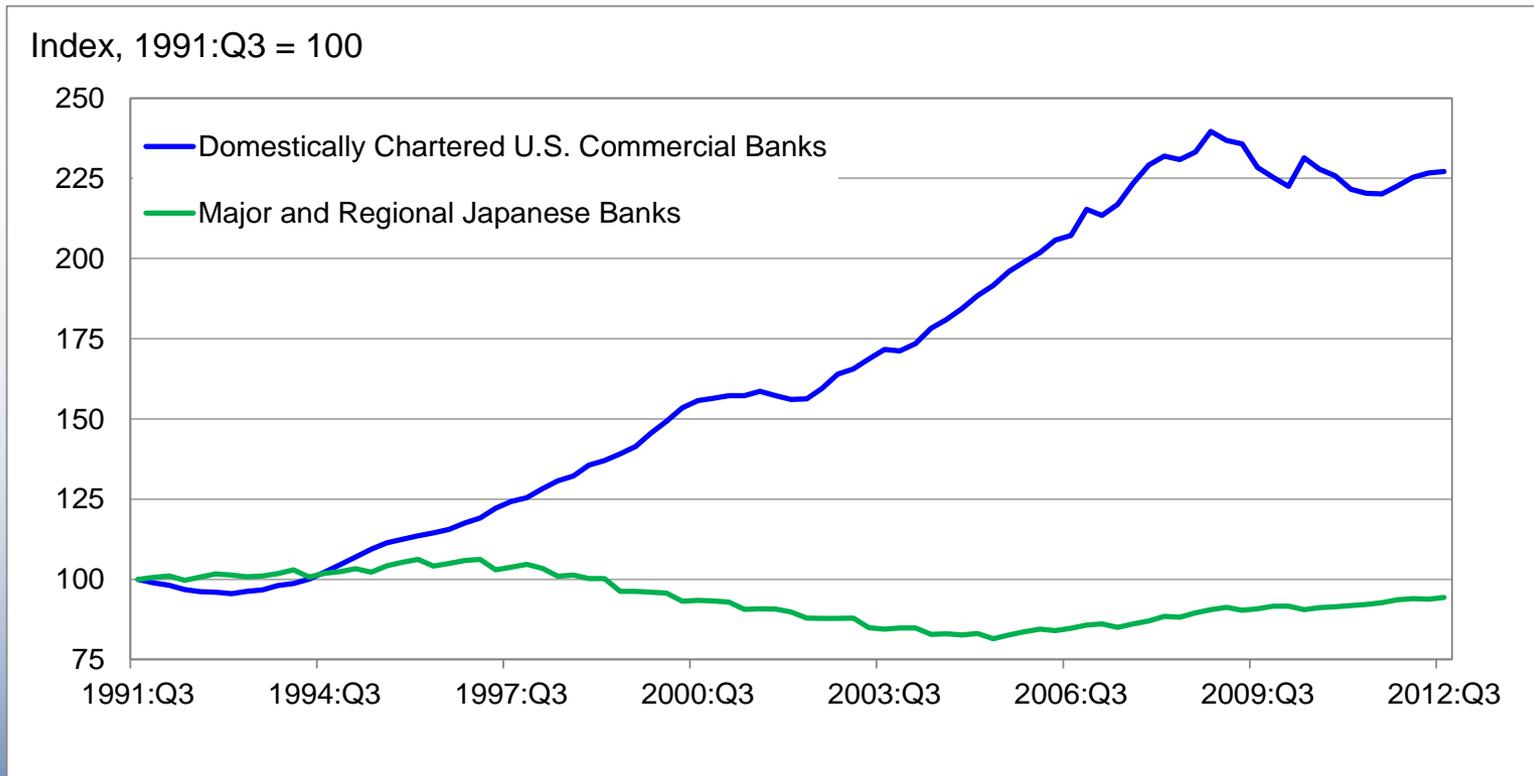


Source: Japanese Ministry of Internal Affairs and Communications, Bank of Japan, Federal Reserve Board, BEA / Haver Analytics

Figure 4

Growth in Real Bank Lending in the U.S. and Japan

1991:Q3 - 2012:Q3



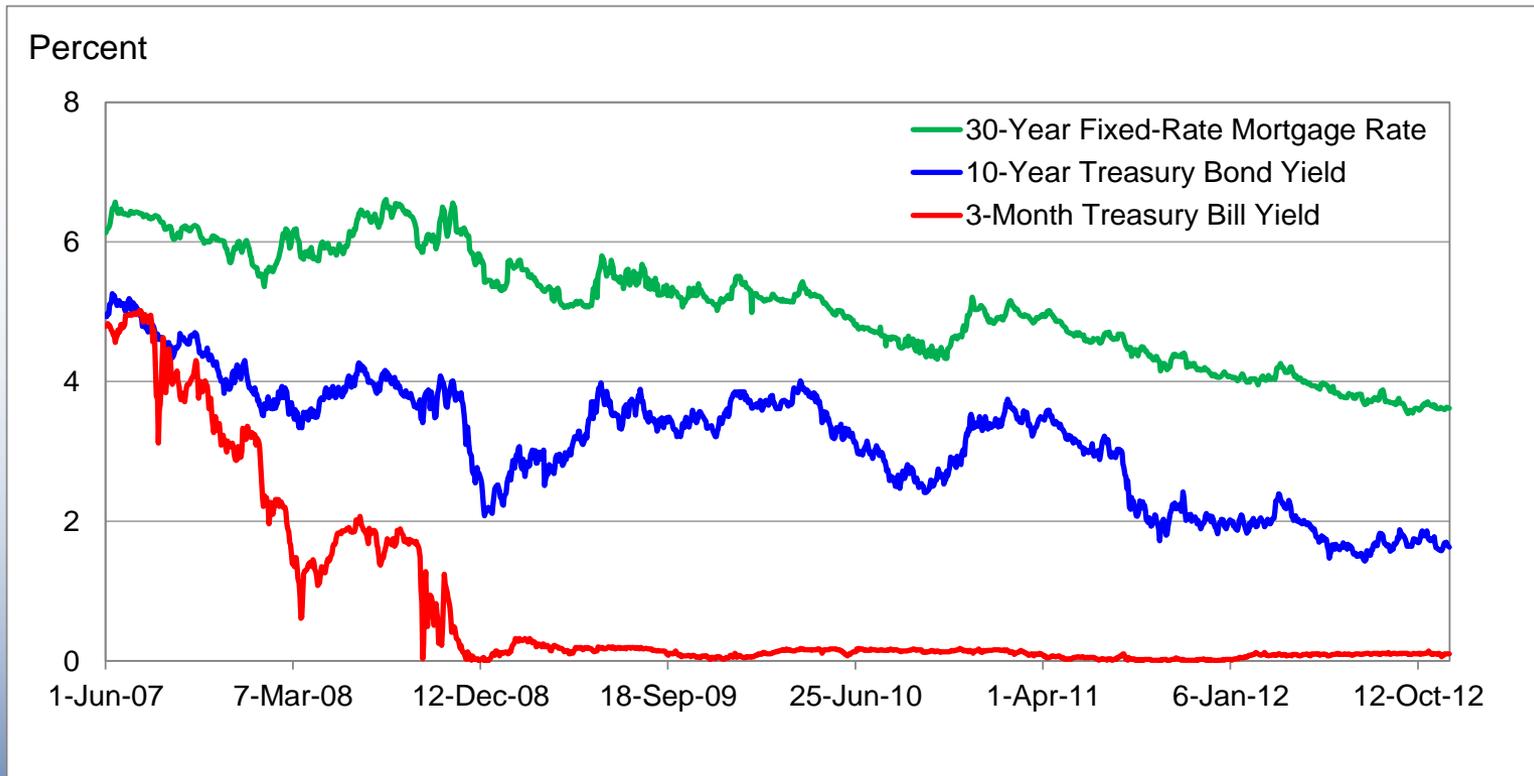
Note: Loans were adjusted for inflation using GDP deflators.

Source: Federal Reserve Board, Bank of Japan, BEA, Cabinet Office of Japan / Haver Analytics

Figure 5

Mortgage Rates and Treasury Yields

June 1, 2007 - November 28, 2012

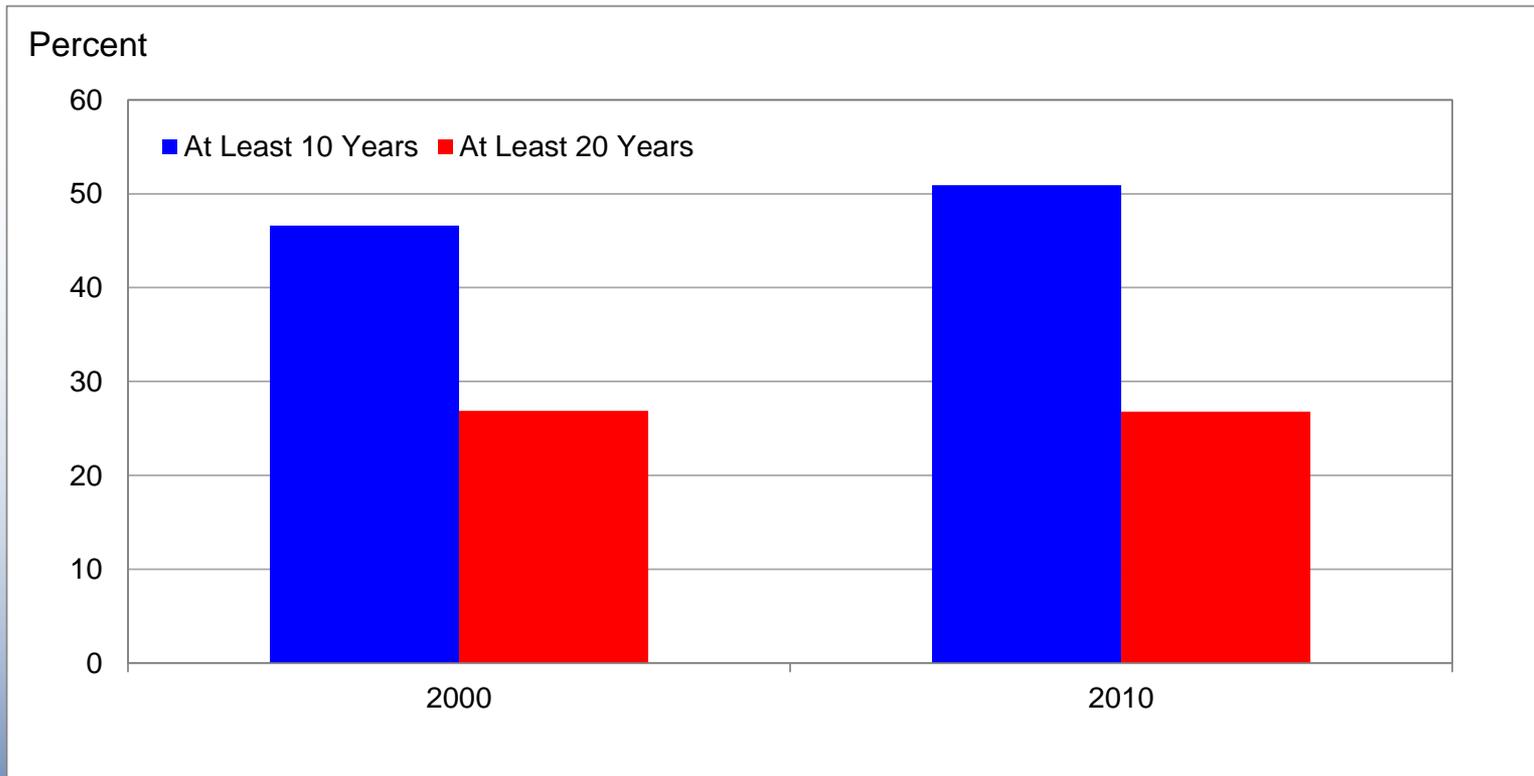


Source: Federal Reserve Board, WSJ / Haver Analytics

Figure 6

Share of Homeowners in Their Homes for at least 10 and at least 20 Years

2000 and 2010

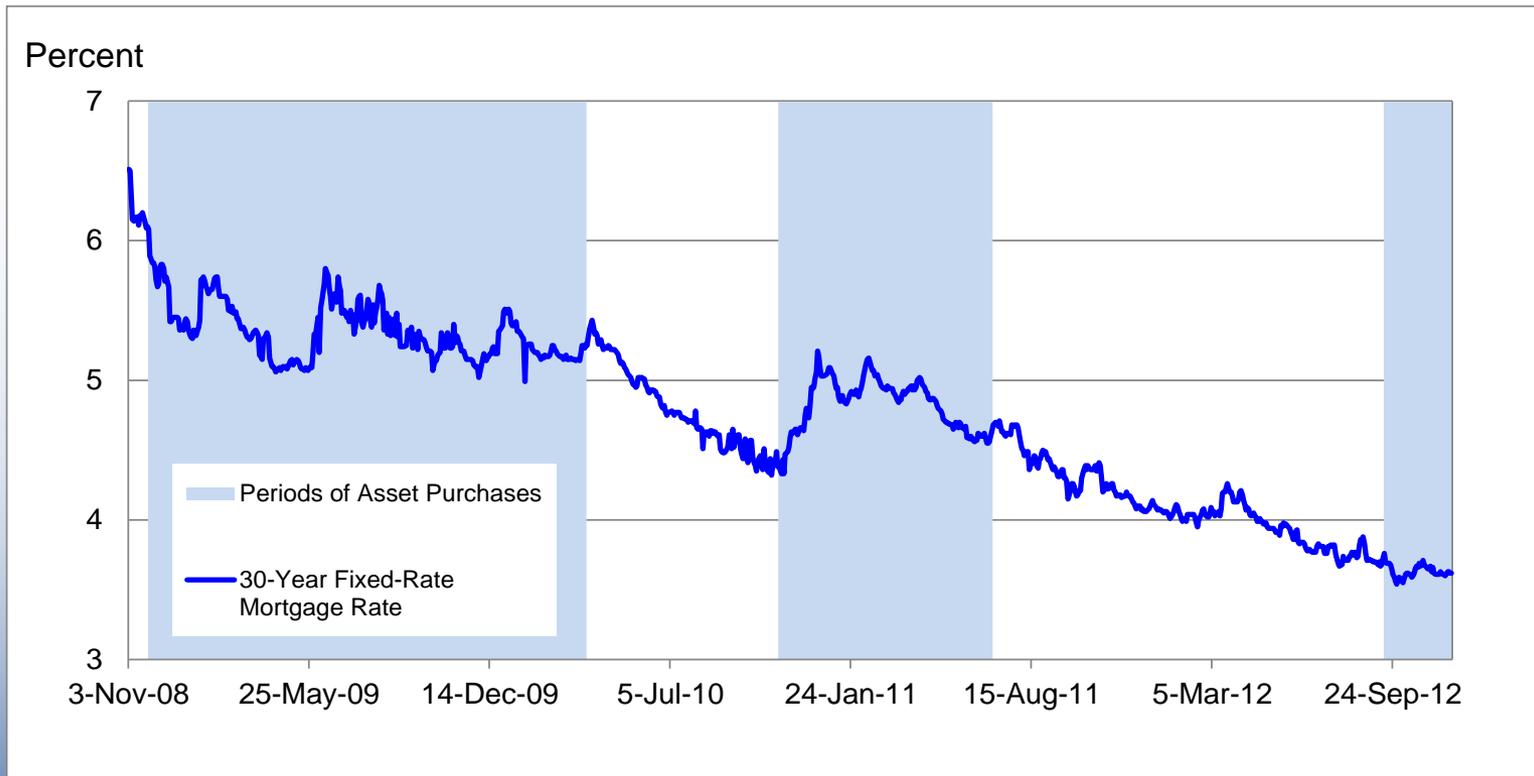


Source: U.S. Bureau of the Census, Decennial Census (2000), American Community Survey (2010, 1-Year Estimates)

Figure 7

Rate on 30-Year Fixed-Rate Mortgage

November 3, 2008 - November 28, 2012

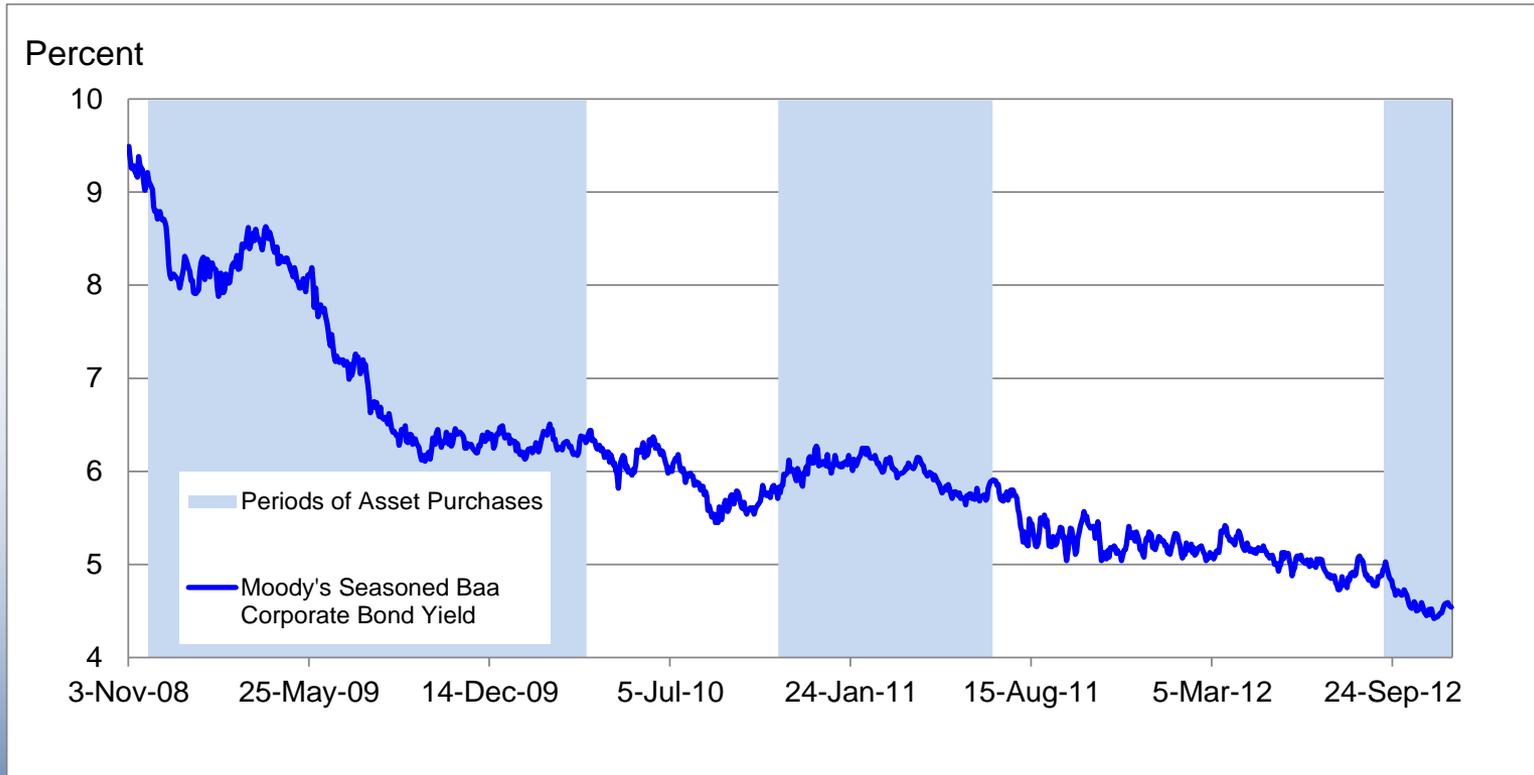


Source: WSJ / Haver Analytics

Figure 8

Moody's Seasoned Baa Corporate Bond Yield

November 3, 2008 - November 28, 2012



Source: Federal Reserve Board / Haver Analytics

Figure 9

S&P 500 Index

November 3, 2008 - November 28, 2012

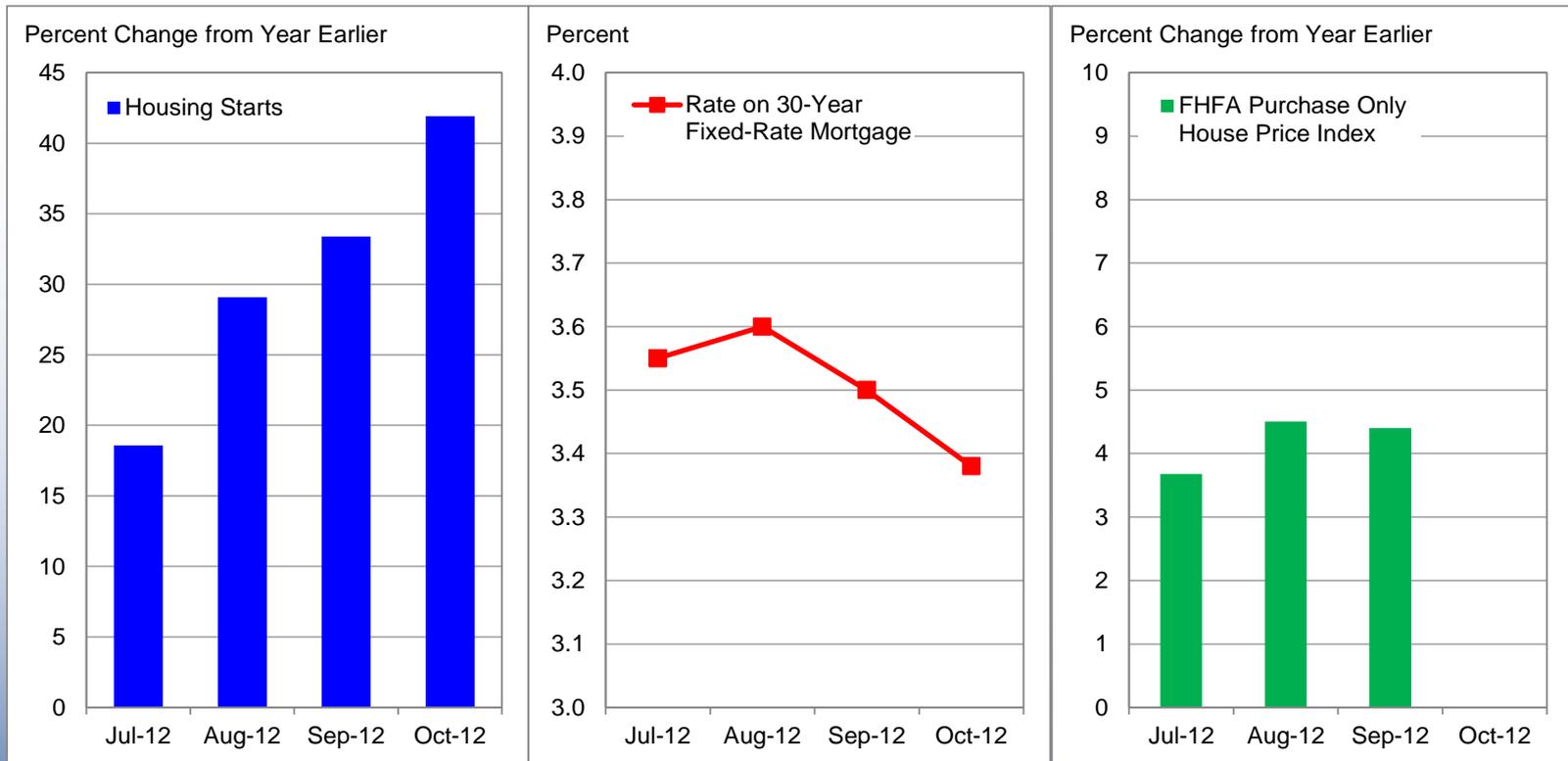


Source: WSJ / Haver Analytics

Figure 10

Recent Activity: Housing Starts, Mortgage Rates and Home Prices

July 2012 - October 2012



Source: U.S. Bureau of the Census, FHLMC, FHFA