



[The Macroeconomic Effects of Government Asset Purchases: Evidence from Postwar US Housing Credit Policy](#)

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We document the portfolio activity of federal housing agencies and provide evidence on its impact on mortgage markets and the economy. Through a narrative analysis, we identify historical policy changes leading to expansions or contractions in agency mortgage holdings. Based on those regulatory events that we classify as unrelated to short-run cyclical or credit market shocks, we find that an increase in mortgage purchases by the agencies boosts mortgage lending and lowers mortgage rates. Agency purchases influence prices in other asset markets and stimulate residential investment. Using information in GSE stock prices to construct an alternative instrument for agency purchasing activity yields very similar results as our benchmark narrative identification approach.