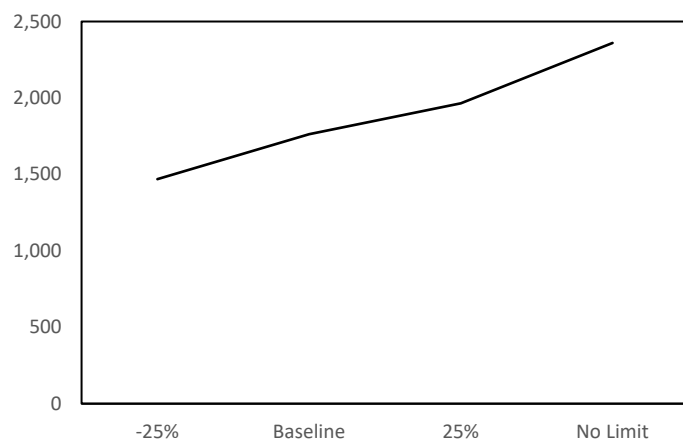
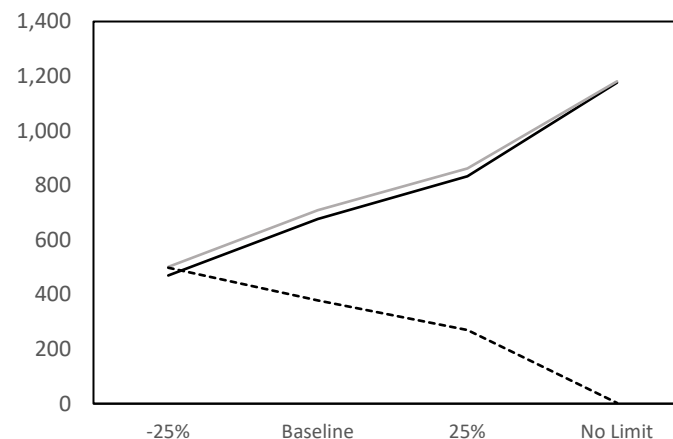


Figure 12: Counterfactual Analysis – Conforming Loan Limit

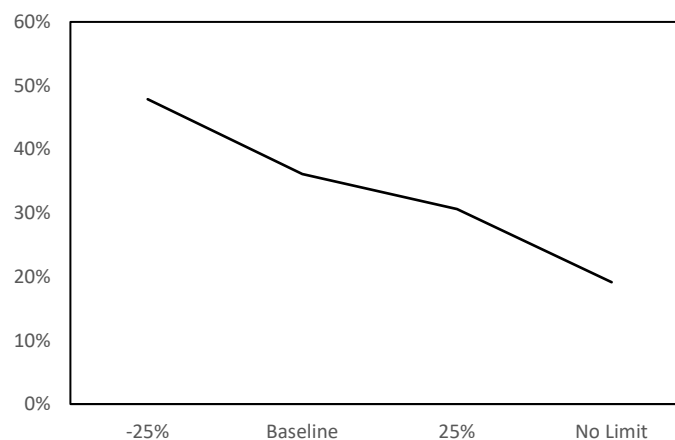
Panel A shows aggregate mortgage origination volume (in \$ billions) across various changes in the conforming loan limit relative to the baseline (in %). Panel B shows the composition of aggregate lending (in \$ billions) split by the shadow bank conforming lending volume (black line), bank conforming lending volume (grey line), and bank jumbo lending volume (dashed line) across various changes in the conforming loan limit relative to the baseline. Panel C shows the percentage of loans that are retained on banks' balance sheets across various changes in the conforming loan limit.



(a) Overall lending volume (\$ billions)



(b) Shadow bank conforming (black), bank conforming (grey) & jumbo (dashed)



(c) Balance sheet financing share (in %)