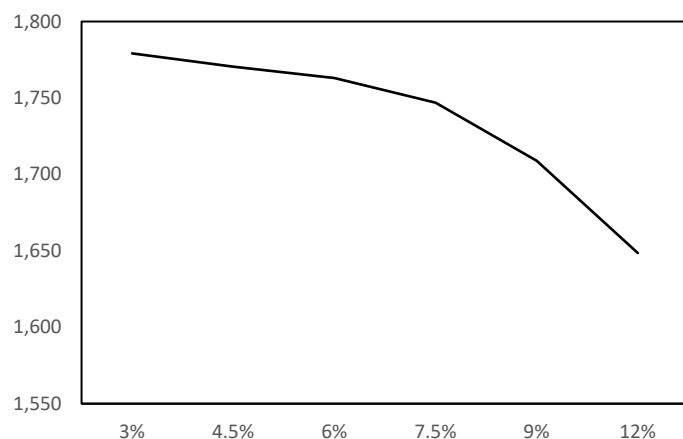
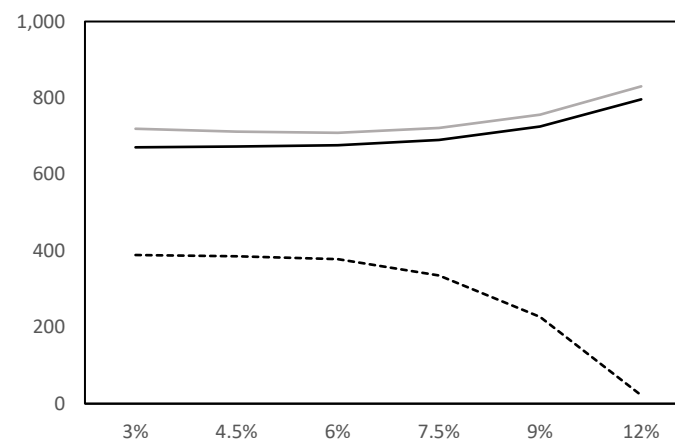


Figure 10: Counterfactual Analysis – Capital Requirements

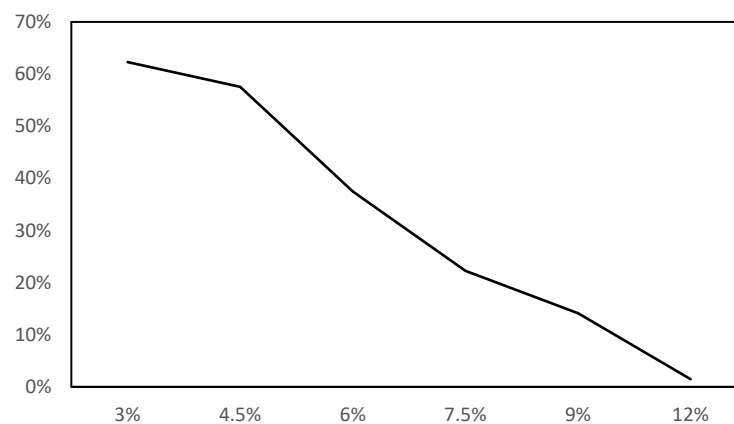
Panel A shows aggregate mortgage origination volume (in \$ billions) across various bank capital ratio requirements (in %). Panel B shows the composition of aggregate lending (in \$ billions) split by the shadow bank conforming lending volume (black line), bank conforming lending volume (grey line),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



(a) Overall lending volume (\$ billions)



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



(c) Balance sheet financing share (in %)