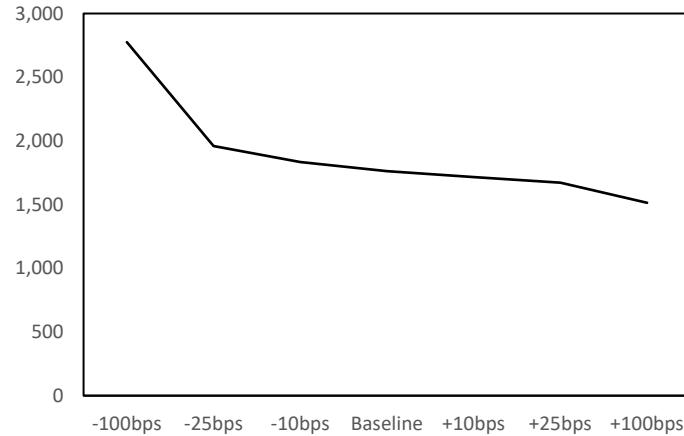
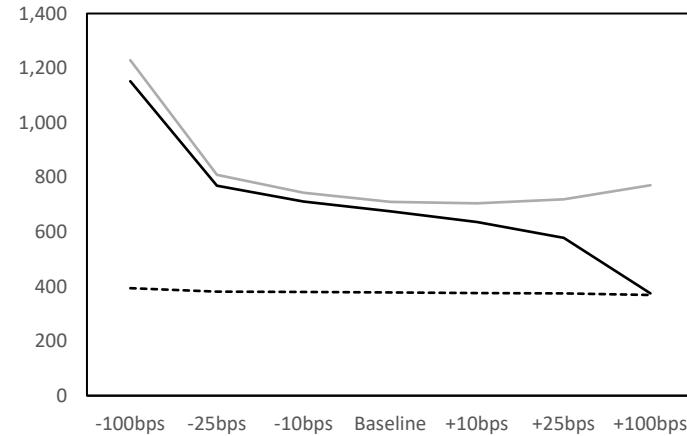


**Figure 11: Counterfactual Analysis – GSE Financing Costs**

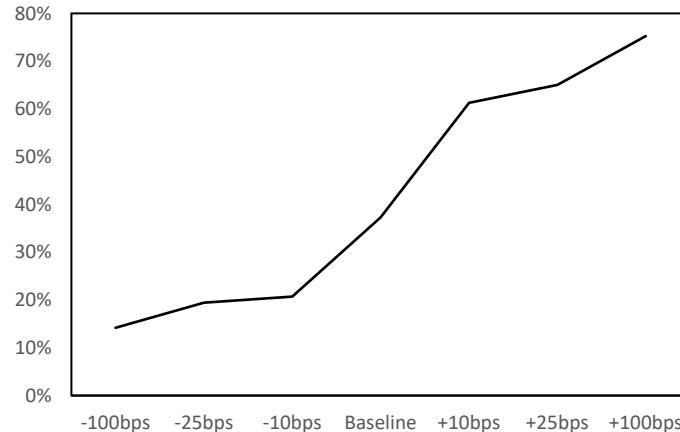
Panel A shows aggregate mortgage origination volume (in \$ billions) across various changes to the GSE financing costs relative to the baseline (in basis points). Panel B shows the composition of aggregate lending (in \$ billions) split by the shadow bank conforming lending volume (black line), bank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



(a) Overall lending volume (\$ billions)



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



(c) Balance sheet financing share (in %)