

Table 6: Validation of Counterfactual Results using Conforming Loan Limit Changes

This table studies the response of jumbo market share, conforming loan bunching, and bank market share to changes in conforming loan limits at the year-county level. *Limit Increase* is the percentage increase in the conforming loan limit in a county between 2007 and year t , which runs to 2015. Column (1) regresses jumbo share on this increase. The left-hand side is the county-year level jumbo loan market share in percentage terms. Column (2) regresses the bunched market share of borrowers around the conforming loan cutoff on this increase within a 5% loan-size bandwidth. The left-hand side variable is the county-year level market share of loans falling within 0.10% of the conforming loan limit in percentage terms. Column (3) is the reduced form of bank market share on the limit increase. Column (4) is the OLS of bank share on jumbo origination share. The left-hand side variable in columns (3) and (4) is the county-year level bank market share in percentage terms. All columns include year and county fixed effects. Standard errors are in parentheses.

	Jumbo Share	Cutoff Share	Bank Share	
	(1)	(2)	(3)	(4)
	OLS	OLS	OLS	OLS
Limit Increase	-0.356 (0.003)	-0.051 (0.001)	-0.029 (0.003)	-
Jumbo Share	- -	- -	- -	0.223 (0.005)
Year FE	Yes	Yes	Yes	Yes
County FE	Yes	Yes	Yes	Yes
Observations	32,147	32,147	32,147	32,147
R ²	0.874	0.696	0.901	0.908