READ ME FILE

Title: Macroprudential Limits on Mortgage Products: The Australian Experience

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Description

This 'read me' file describes the supplementary materials provided with RDP 2021-07. The RDP uses confidential and subscription-based data, and the supplementary materials have been modified to remove anything that cannot be shared. In each of these instances of modification the files contain the text 'REMOVED'. This means readers will be unable to run the code in these files. Still, the code provides the full set of details for how the variables were constructed and the regressions specified.

The 'Data pull and formatting' folder contains files that read and format data to subsequently use in regressions run in Stata. The files include R scripts, and csv data files that the R scripts read and write. These files were run by placing them together in the same R Project. The R scripts are:

- *Data_pull_and_combine.R:* queries bank data from an internal RBA database (SAFFI); reads the *SAFFI_itemcode_names.csv* file to apply variable names to the raw SAFFI data; reads the *CANSTAR_data.csv* file containing the interest rate data; reads the *credit_aggs_gr_from_rba_website.csv* raw data file, which contains credit growth data from RBA Statistical Table D1; and produces the *data_for_macropru_analysis.csv* data file, which is the data source used for most of the regressions in Stata.
- *LVR_dataset_formatting.R:* reads the *data_for_macropru_analysis.csv* file and reformats it for the LVR regressions in Section 7.1. This script produces the *lvr_data_for_analysis.csv* file to be read by Stata.
- *plots_for_paper.R:* reads the *data_for_macropru_analysis.csv* data file and produces tables of data (on screen) that are used for the figures in the paper.

The 'Regression code' folder contains Stata scripts, and csv data files that the Stata scripts read and write. The Stata scripts are:

- *RDP_variable_definitions_code.do:* reads the *data_for_macropru_analysis.csv* data file and formats it into regression variables.
- *RDP_main_regressions.do:* is run directly after running the *RDP_variable_definitions_code.do* script. It produces results for most of the regressions. It also produces the *agg_analysis_rolling_regressions.csv* data file containing data for most of the plots in Section 7.
- *RDP_placebo_regressions.do:* is run directly after running the *RDP_variable_definitions_code.do* script. It produces the *placebo_results_Inv_policy.csv* and *placebo_results_IO_policy.csv* data files for the Sections 5 and 6 placebo regression charts.
- *LVR_regressions.do:* reads the data from *lvr_data_for_analysis.csv* and produces the results in Section 7.1, on policy effects by LVR category.

Where possible, the data used to plot the figures will be released and can be found in 'rdp-2021-07-graph-data.xlsx'. However, much of the data used is confidential or is restricted by 3rd party provider terms. The data restrictions on figures are:

- Figure 1 – Top two panels are not publically available (NPA) – confidentiality, bottom panel is publically available
- Figure 2 – NPA - confidentiality
- Figure 3 – NPA - confidentiality

- Figure 4 – NPA - confidentiality
- Figure 5 – NPA - confidentiality
- Figure 6 – NPA - confidentiality
- Figure 7 – NPA - confidentiality
- Figure 8 – NPA - confidentiality
- Figure 9 – NPA - confidentiality
- Figure 10 – Top two panels are publically available, bottom two panels are NPA - confidentiality
- Figure 11 – NPA - confidentiality
- Figure 12 – NPA - confidentiality
- Figure 13 – Publically available

Software versions

R version 4.0.3 and Stata version StataSE 16.1.

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