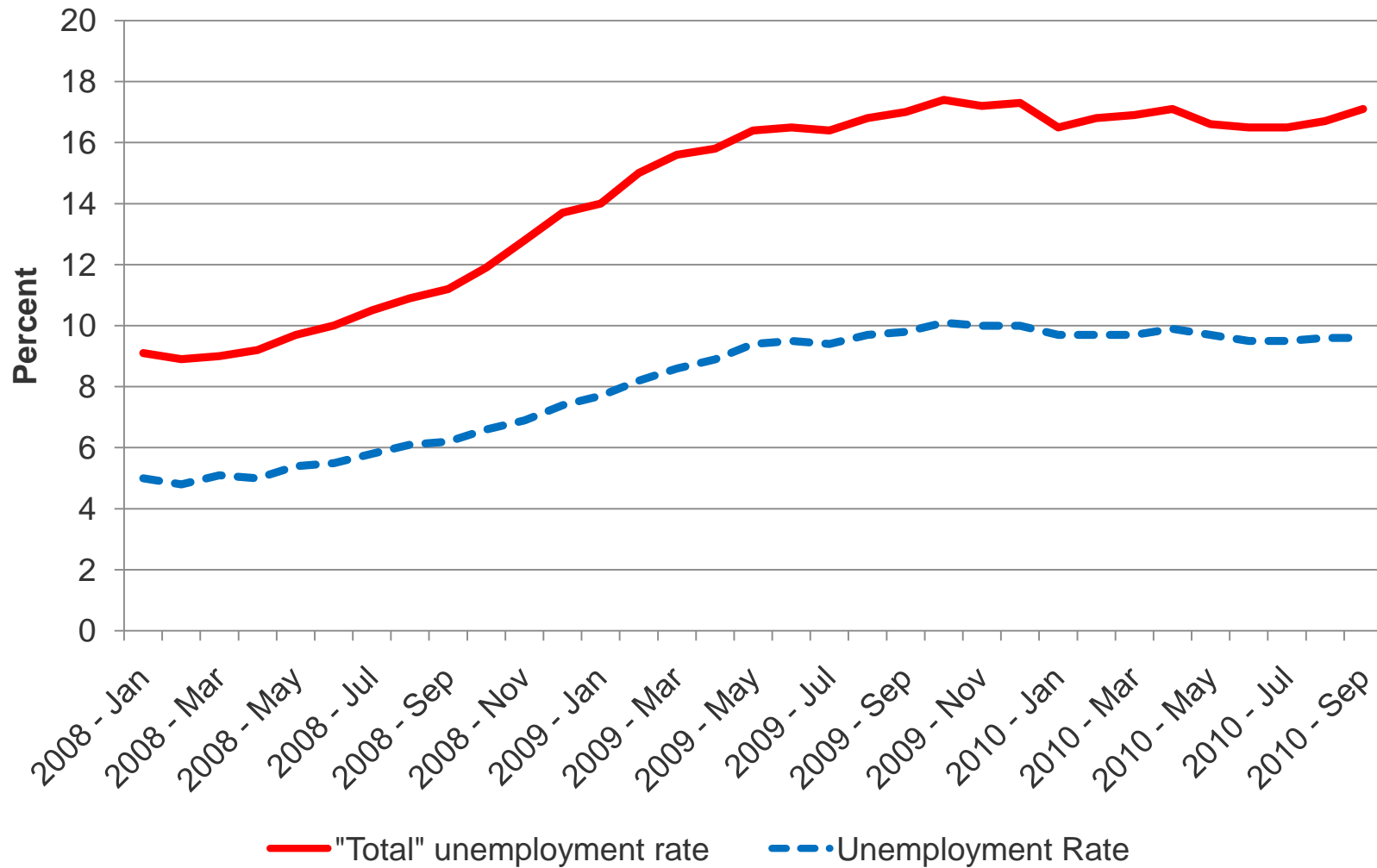


THE OUTLOOK FOR 2011

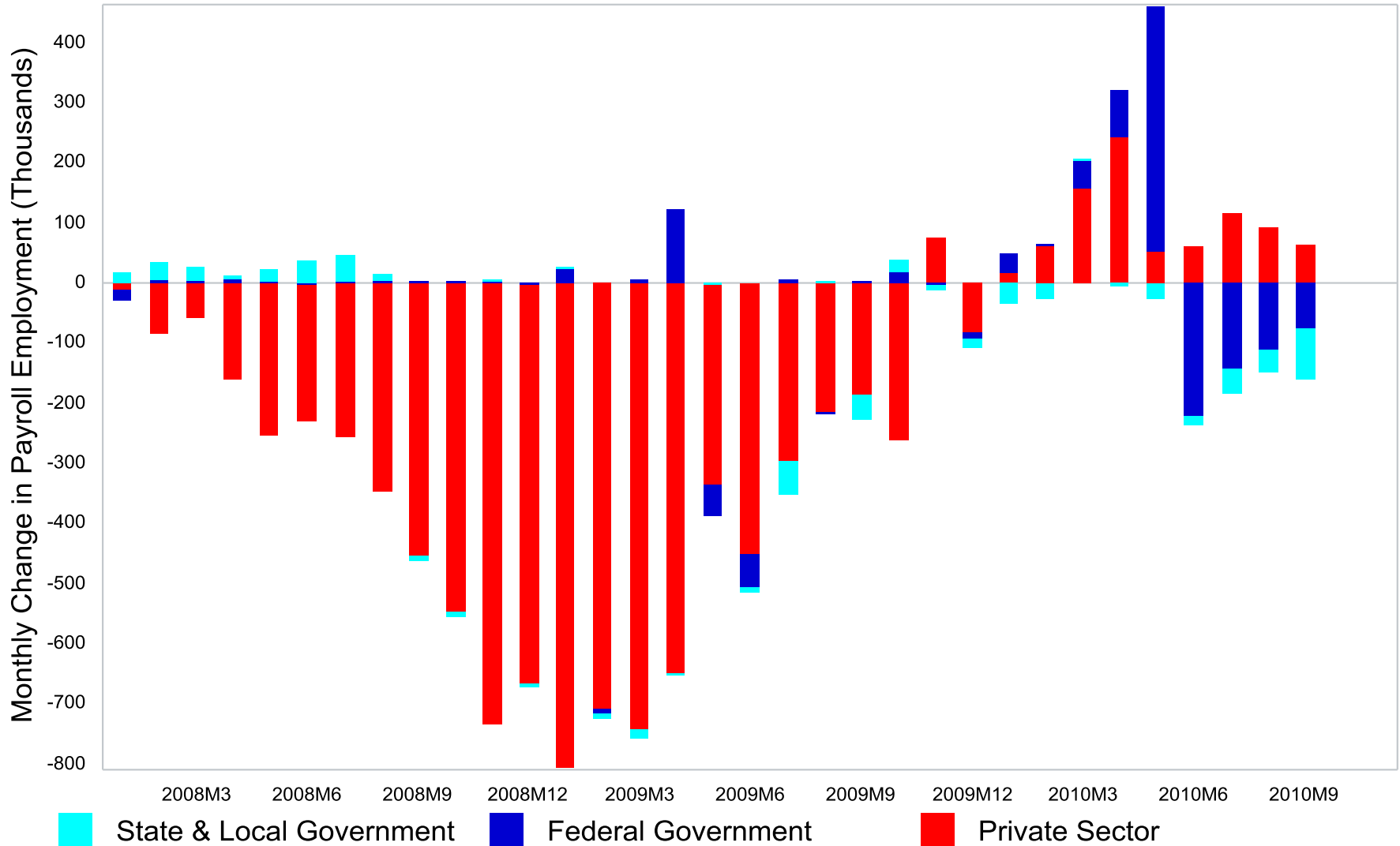
Jay Brinkmann
Mortgage Bankers Association

Unemployment Rate versus "Total" Unemployed



Includes those unemployed but looking for work, discouraged workers no longer looking, those marginally attached to the work force and those forced to take part-time positions while seeking full-time.

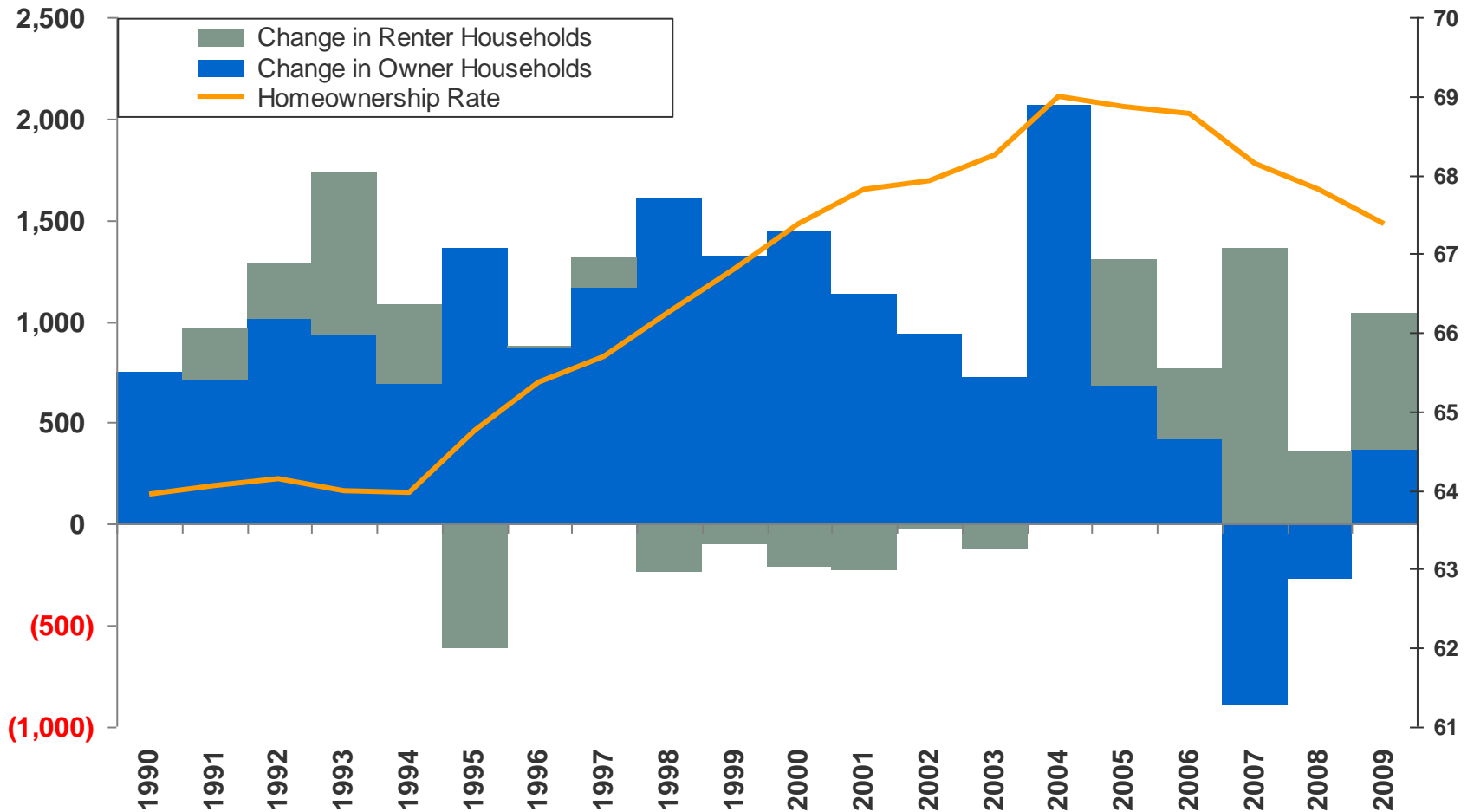
Monthly Change in Employment



Renter Demand has been impacted much more by changes in the homeownership rate than household growth

Year-over-year Changes in the Number of Owner- and Renter-occupied Households, and Homeownership Rate

Thousands of households

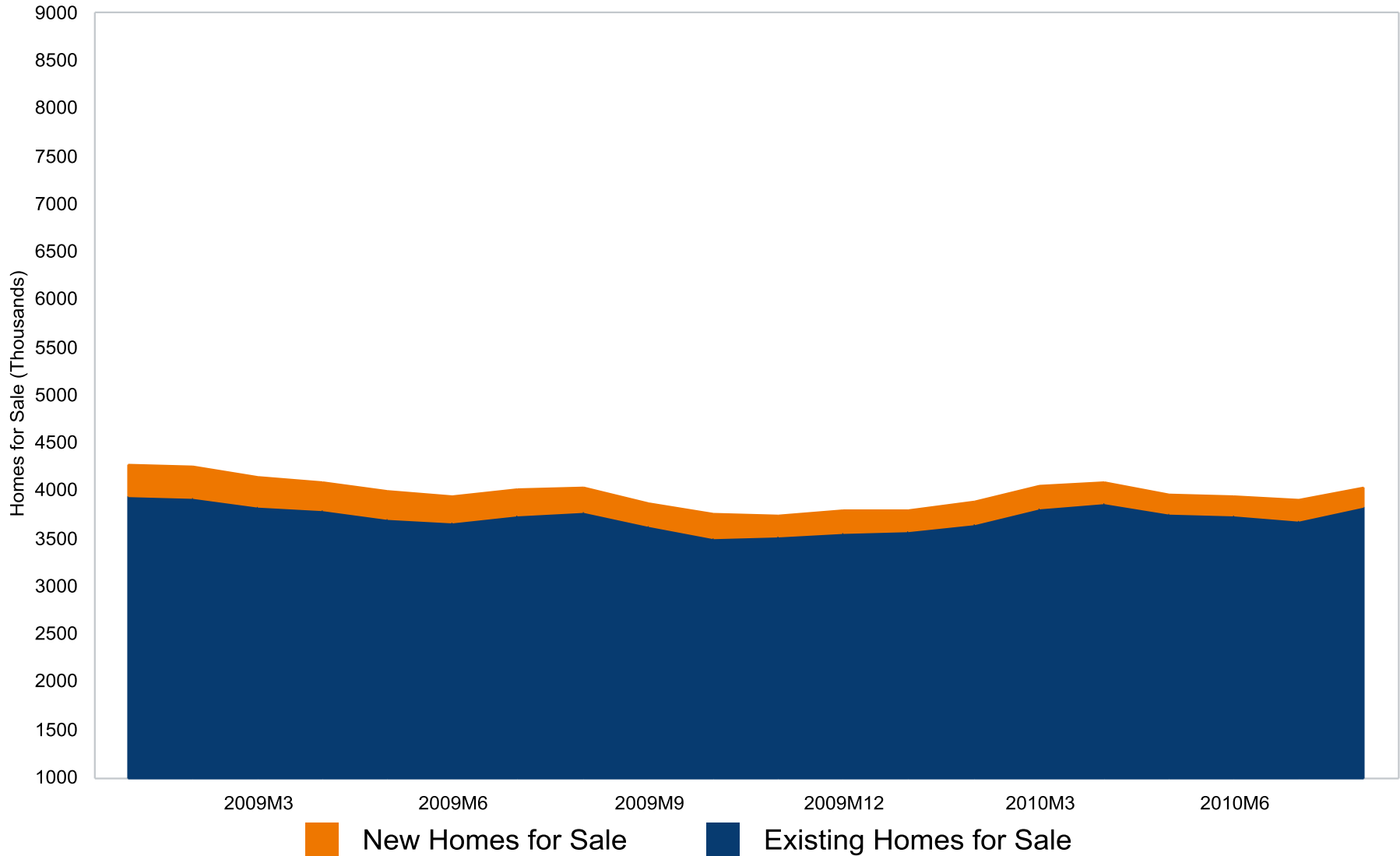


Source: Census Bureau and MBA

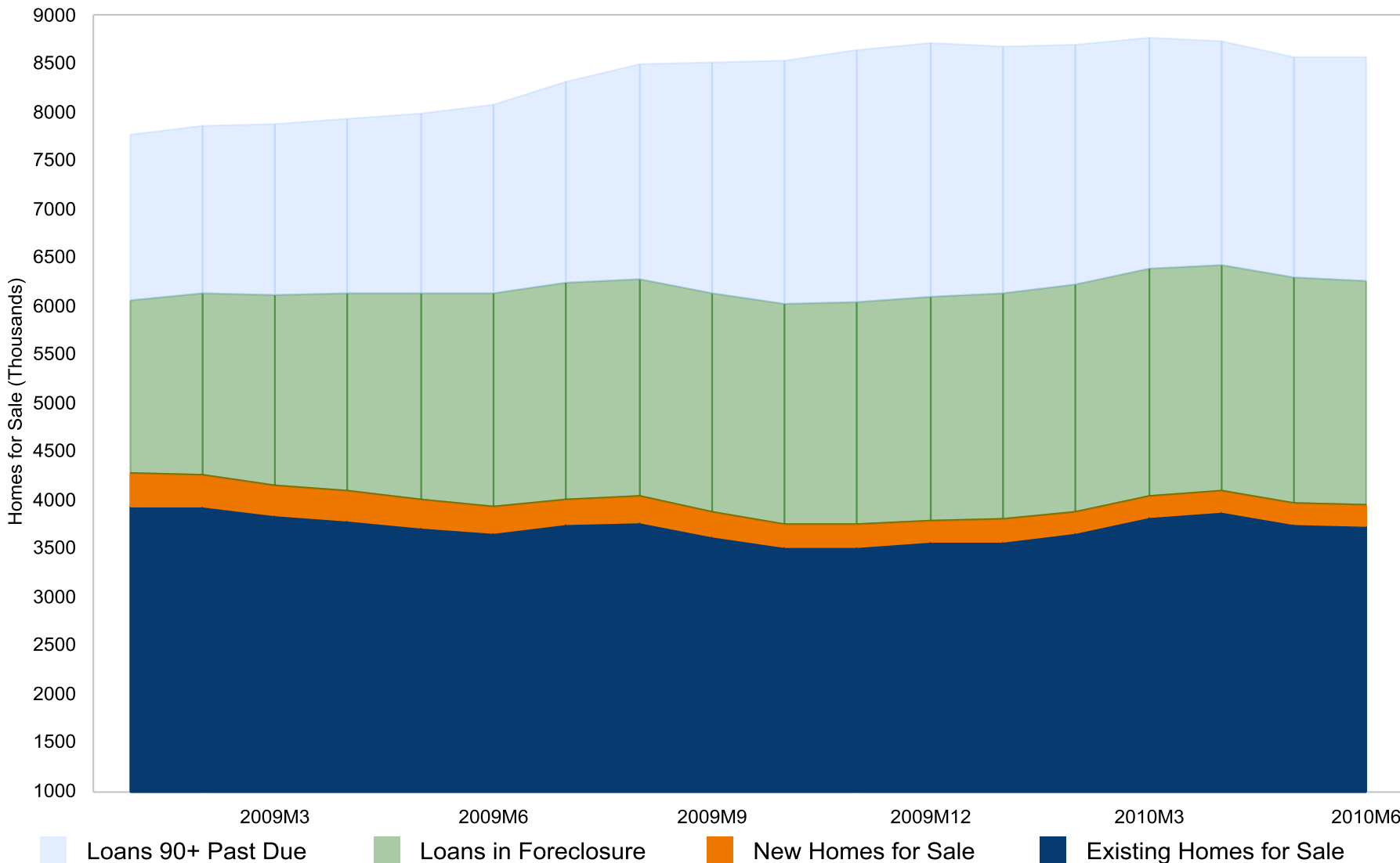
Housing Starts, Sales and Prices

	2009	2010	2011	2012
Housing Starts (SAAR, Thous)	553	597	659	964
Single-Family	440	477	531	763
Two or More	113	120	128	201
Home Sales (SAAR, Thous)				
Total Existing Homes	5,150	4,742	4,825	5,595
New Homes	374	326	391	544
FHFA HP Index (Q4/Q4 % Change)	-4.4	-4.4	-1.0	2.0

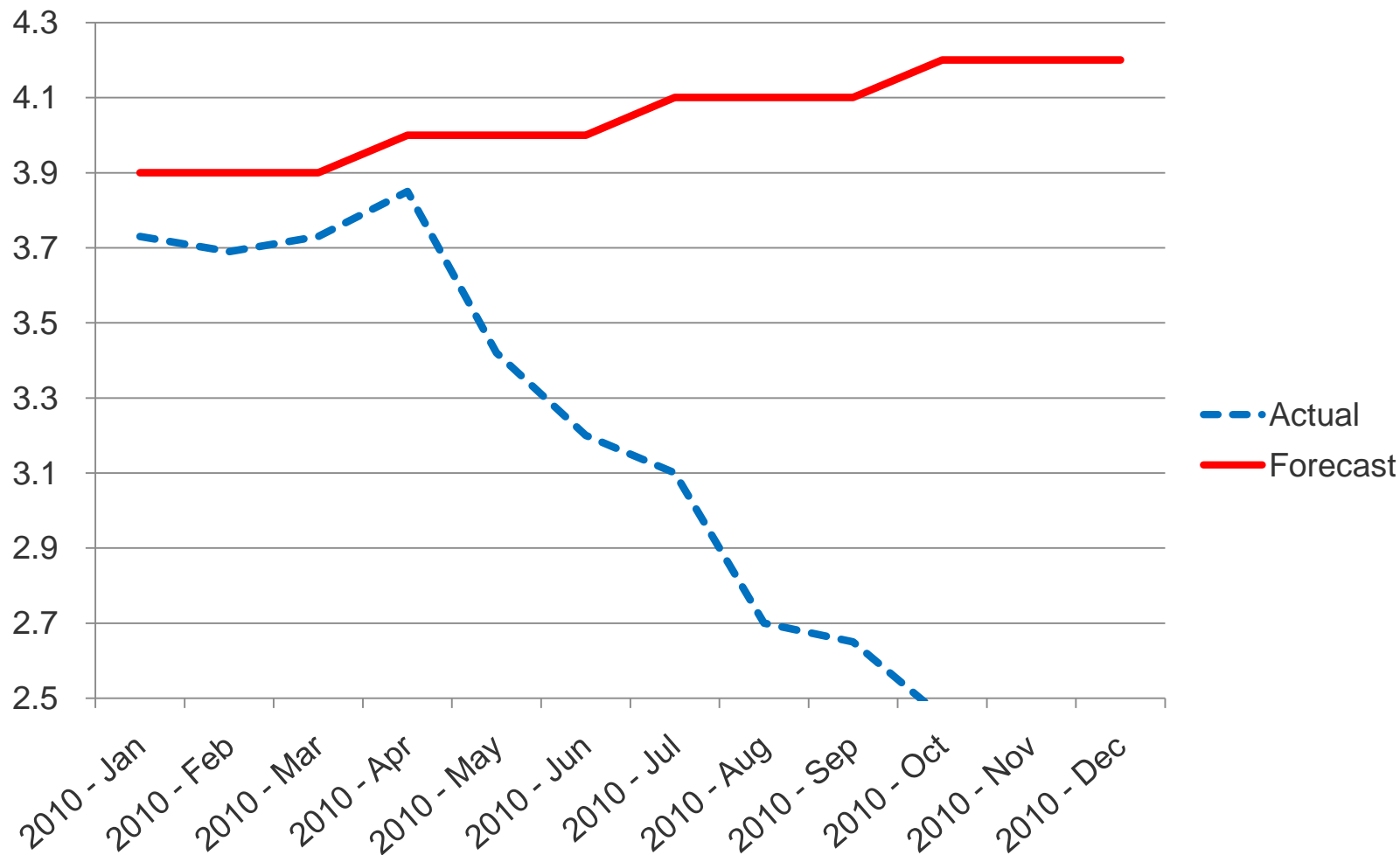
Inventory of Homes for Sale



Inventory of Homes for Sale + Shadow Inventory

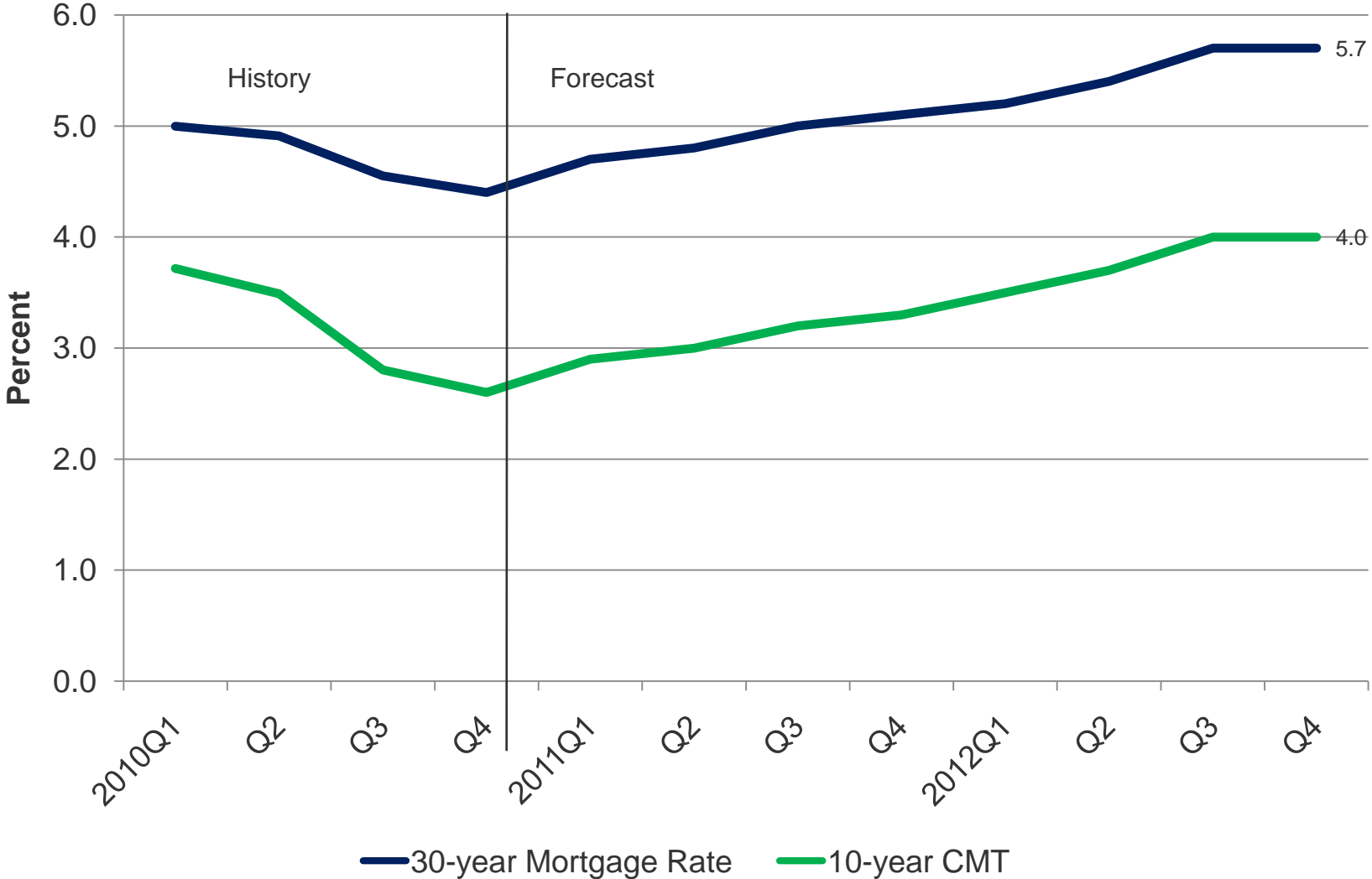


Treasury Rates in 2010: Actual vs. MBA January Forecast



- Sovereign Debt Crisis in Europe – Flight to Quality
- Consumer Spending, Construction Activity, and Job Growth - Even Weaker than Anticipated
- Core Inflation Continued to Decline – Deflation Fears Increased
- Expectations of QE2

Mortgage and Treasury Rate Forecast



Quantitative Easing? The FOMC Lineup



2010 Members of the Board of Governors

Ben S. Bernanke, Chairman
Elizabeth A. Duke
Sarah Bloom Raskin
Daniel K. Tarullo
Kevin M. Warsh
Janet L. Yellen
One Vacancy

FOMC Meetings

2010

November 2-3

December 14

2011

January 25-26

March 15

April 26-27

June 21-22

August 9

September 20

November 1-2

December 13

Federal Reserve Bank Rotation on the FOMC

Committee membership changes at the first regularly scheduled meeting of the year.

2010	2011	2012
New York	New York	New York
Cleveland	Chicago	Cleveland
Boston	Philadelphia	Richmond
St. Louis	Dallas	Atlanta
Kansas City	Minneapolis	San Francisco

Mortgage Originations Forecast



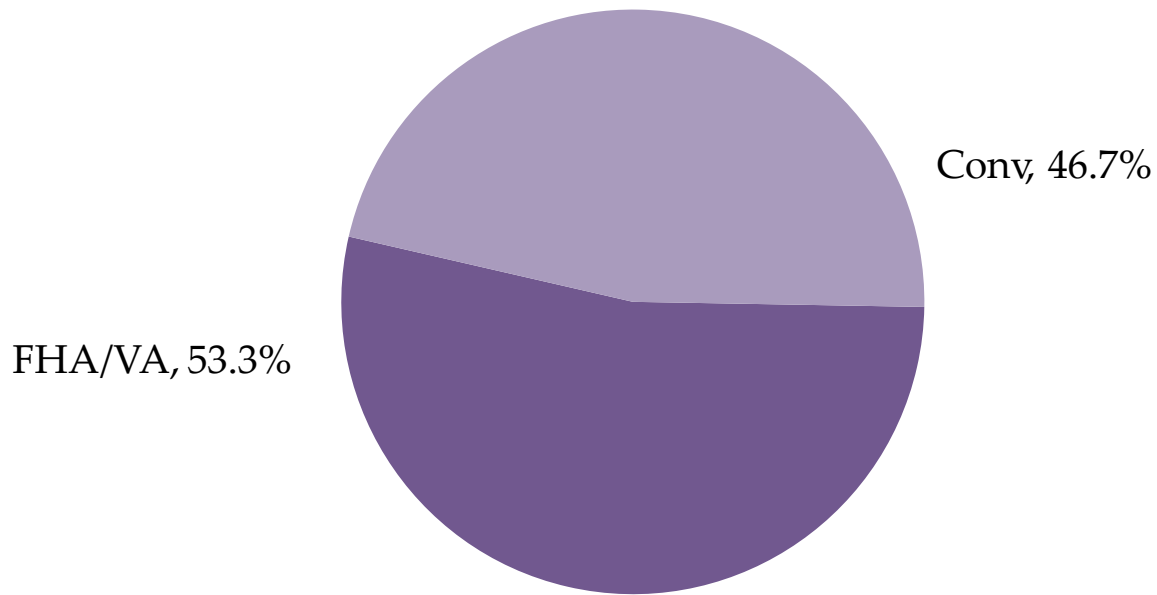
	2009	2010	2011	2012
Mortgage Originations				
Total 1- to 4-Family (Bil \$)	1,995	1,401	996	1,187
Purchase	665	480	626	877
Refinance	1,330	921	370	310
Refinance Share (%)	67	66	37	26

Weekly Apps – Loan Type Mix

Purchase Apps for Owner Occupied

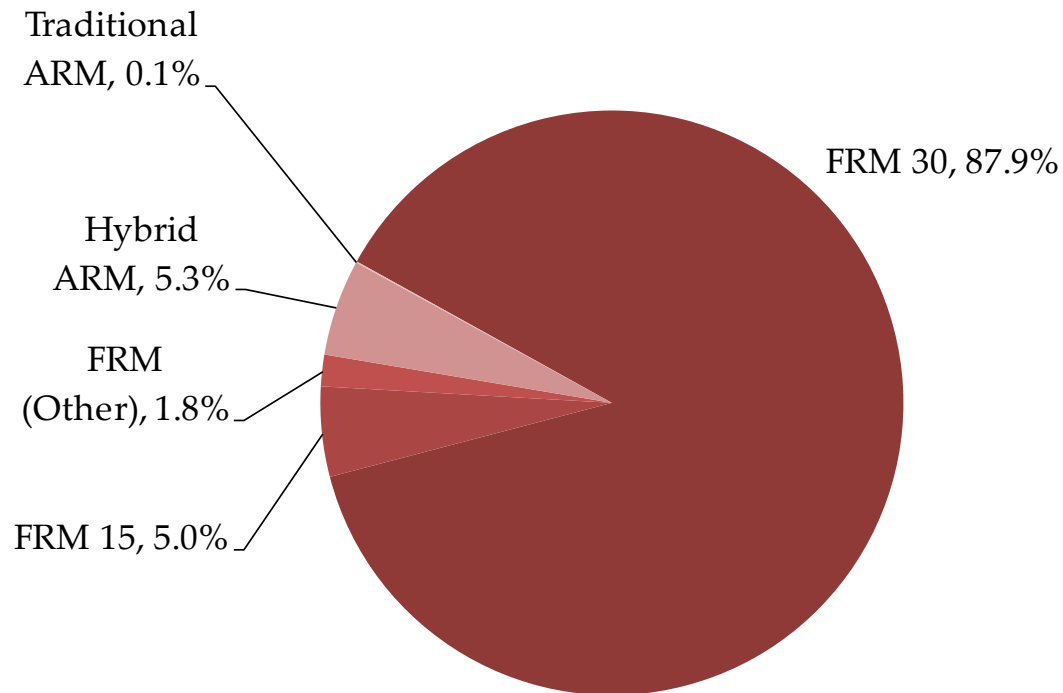


Conventional vs. Government Owner Occupied: Purchase - 87.2%

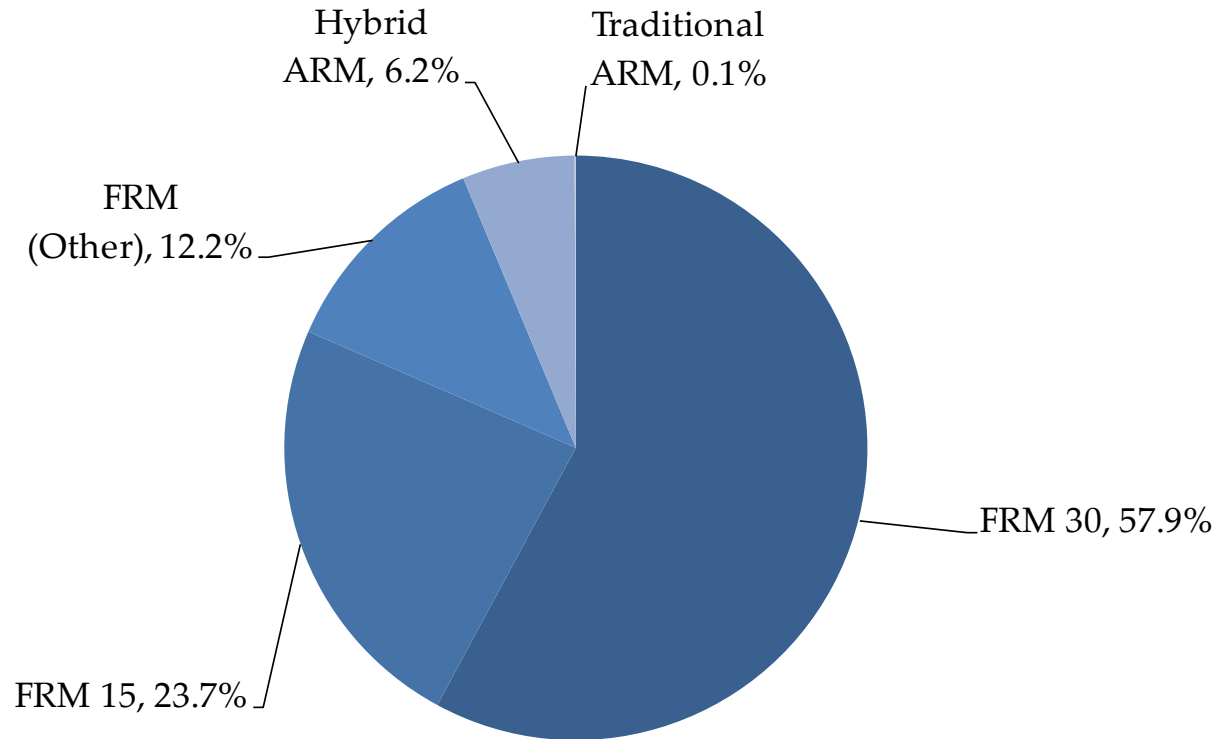


Product Types

Owner Occupied: Purchase - 87.2%

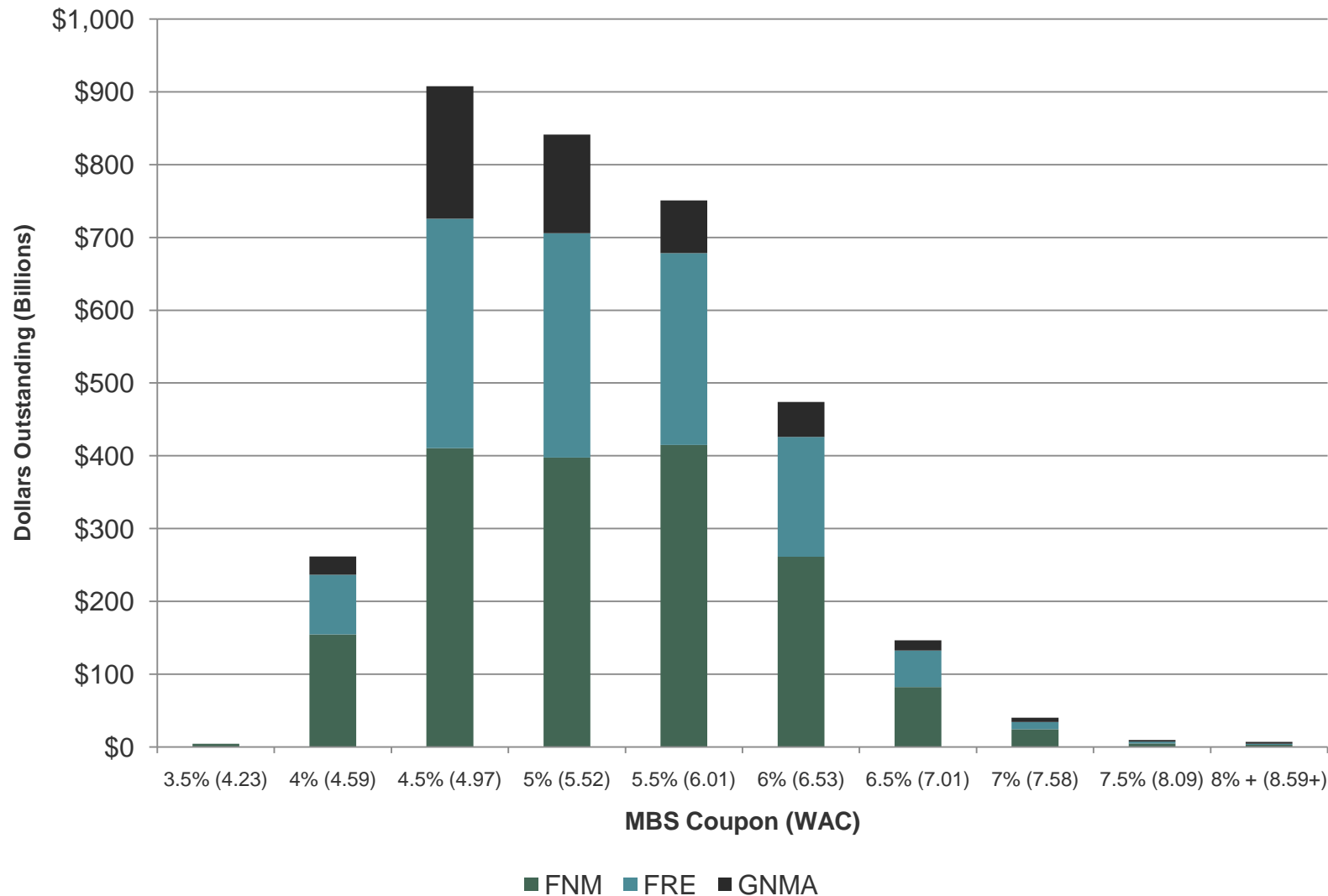


Refinance - 80.5%



MBS Outstanding by Coupon

As of September 30, 2010



Net Production Income for Non-Banks

