

Economic/ Housing Outlook

91st Annual MBA Convention

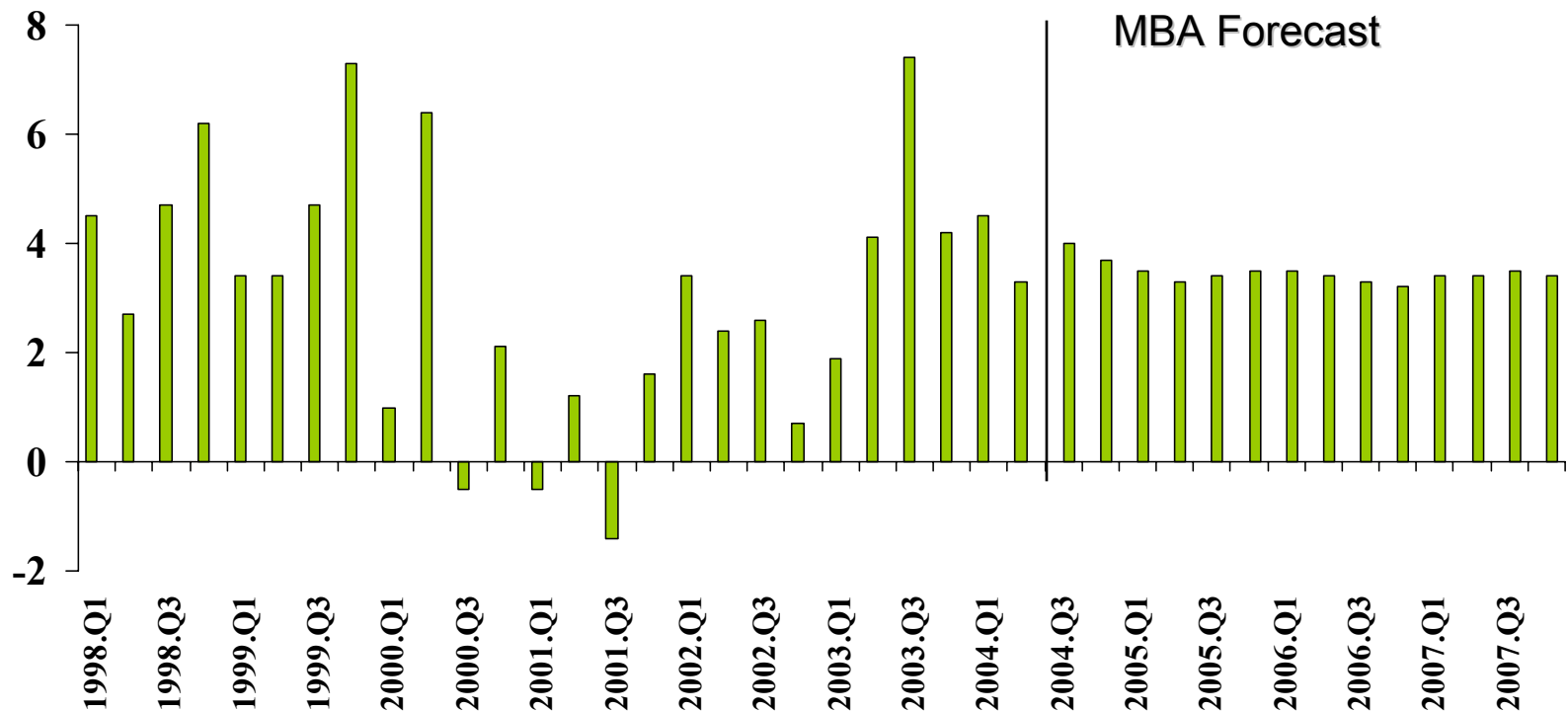
John Robbins, Chairman & CEO, American Mortgage Network

Douglas G. Duncan, MBA Senior VP and Chief Economist

Jay Brinkmann, MBA VP, Research and Economics

Real GDP Growth

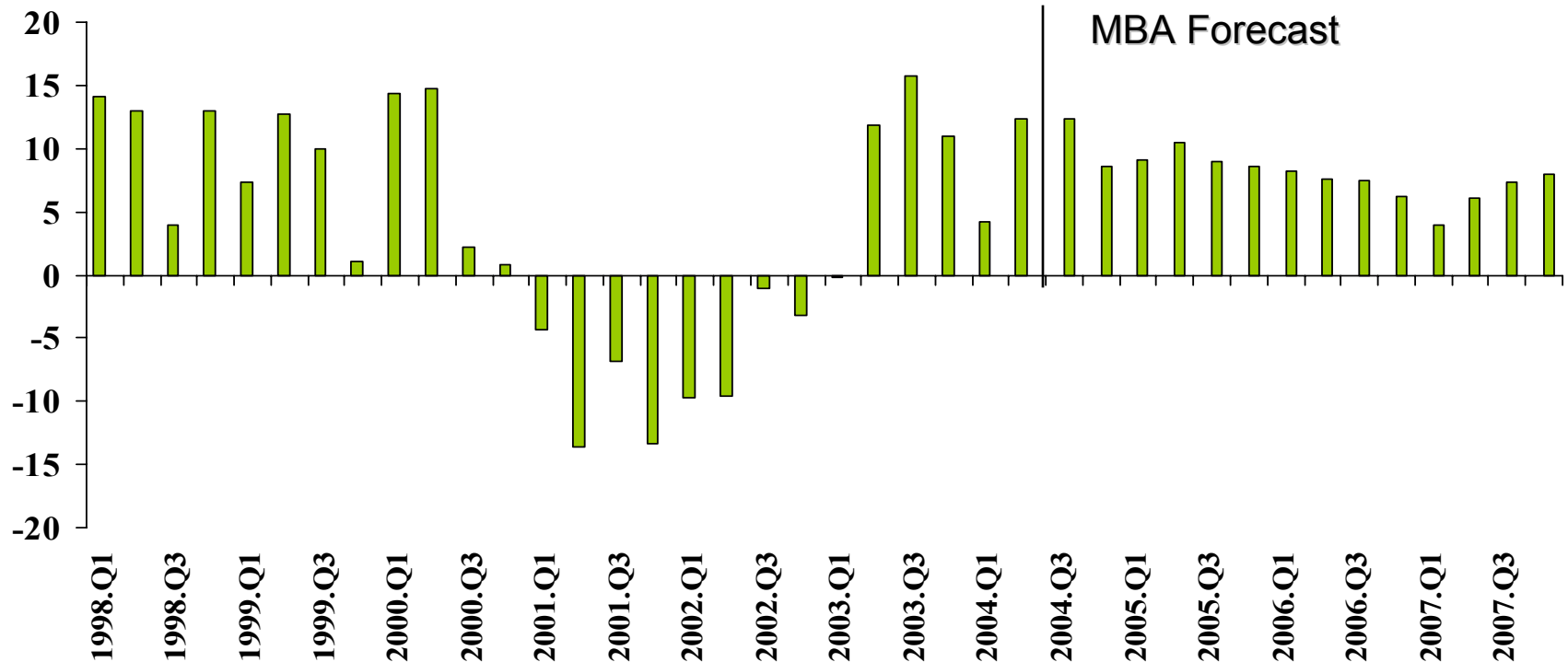
Percent Change, Seasonally Adjusted at Annual Rate



Source: Bureau of Economic Analysis

Real Business Fixed Investment

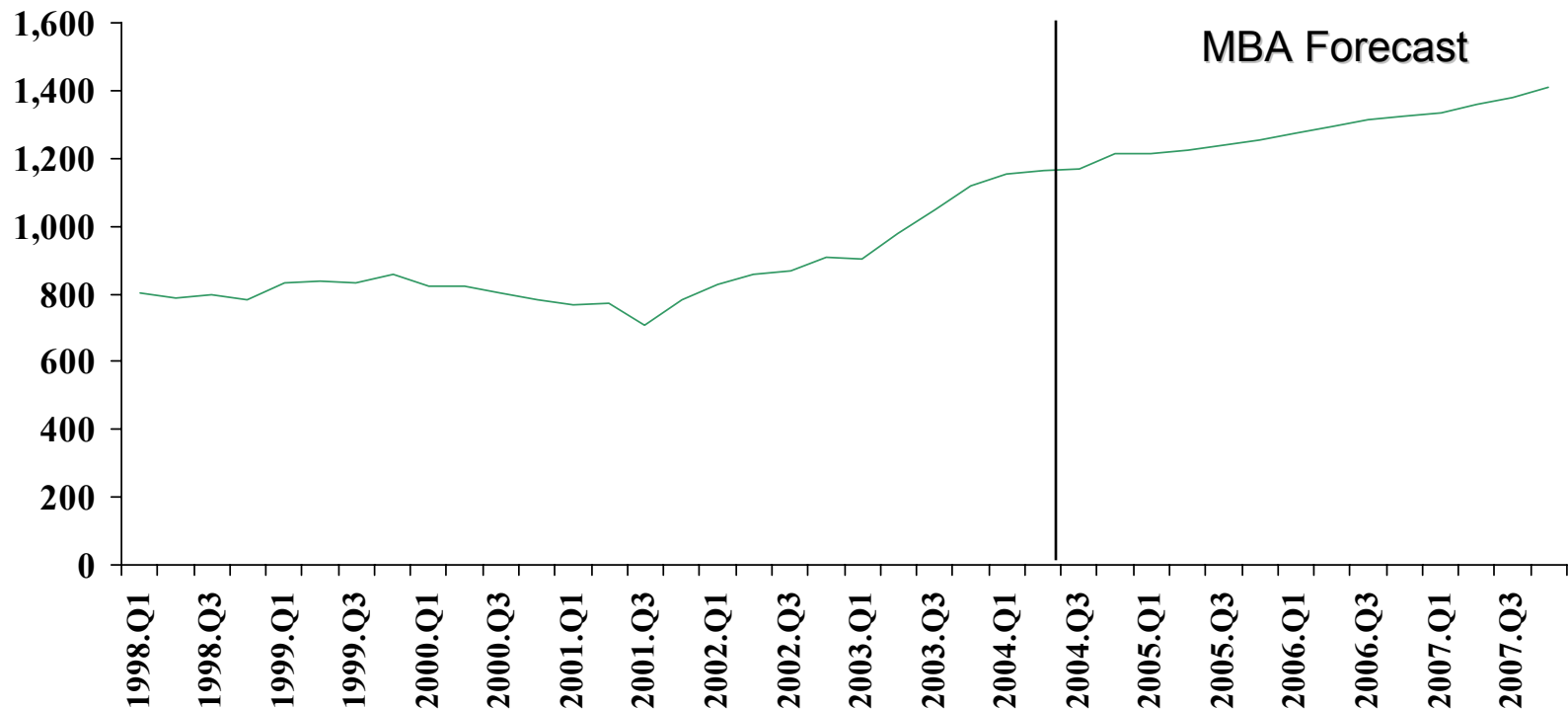
Percent Change, Seasonally Adjusted at Annual Rate



Source: Bureau of Economic Analysis

Corporate Profits

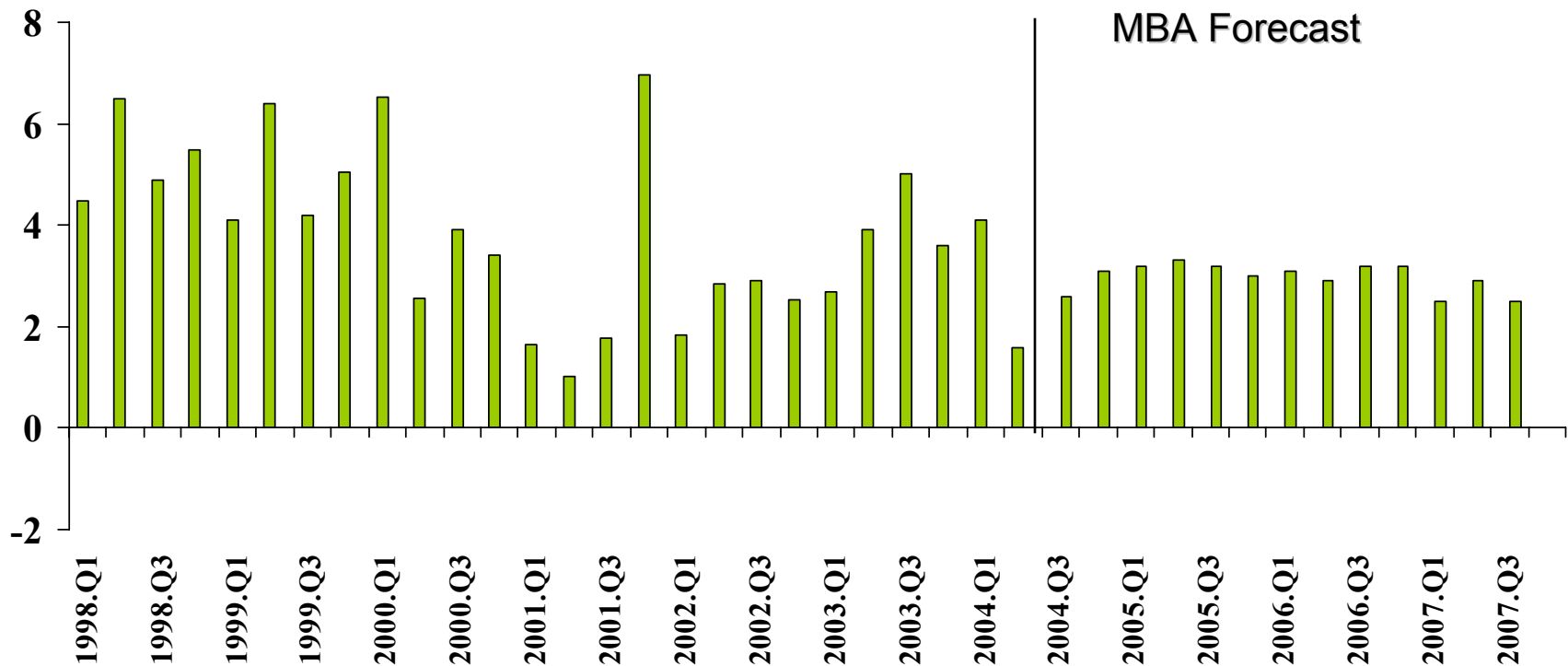
Billions of Dollars, Seasonally Adjusted at Annual Rate, With IVA and CCAAdj



Source: Bureau of Economic Analysis

Real Personal Consumption Expenditures

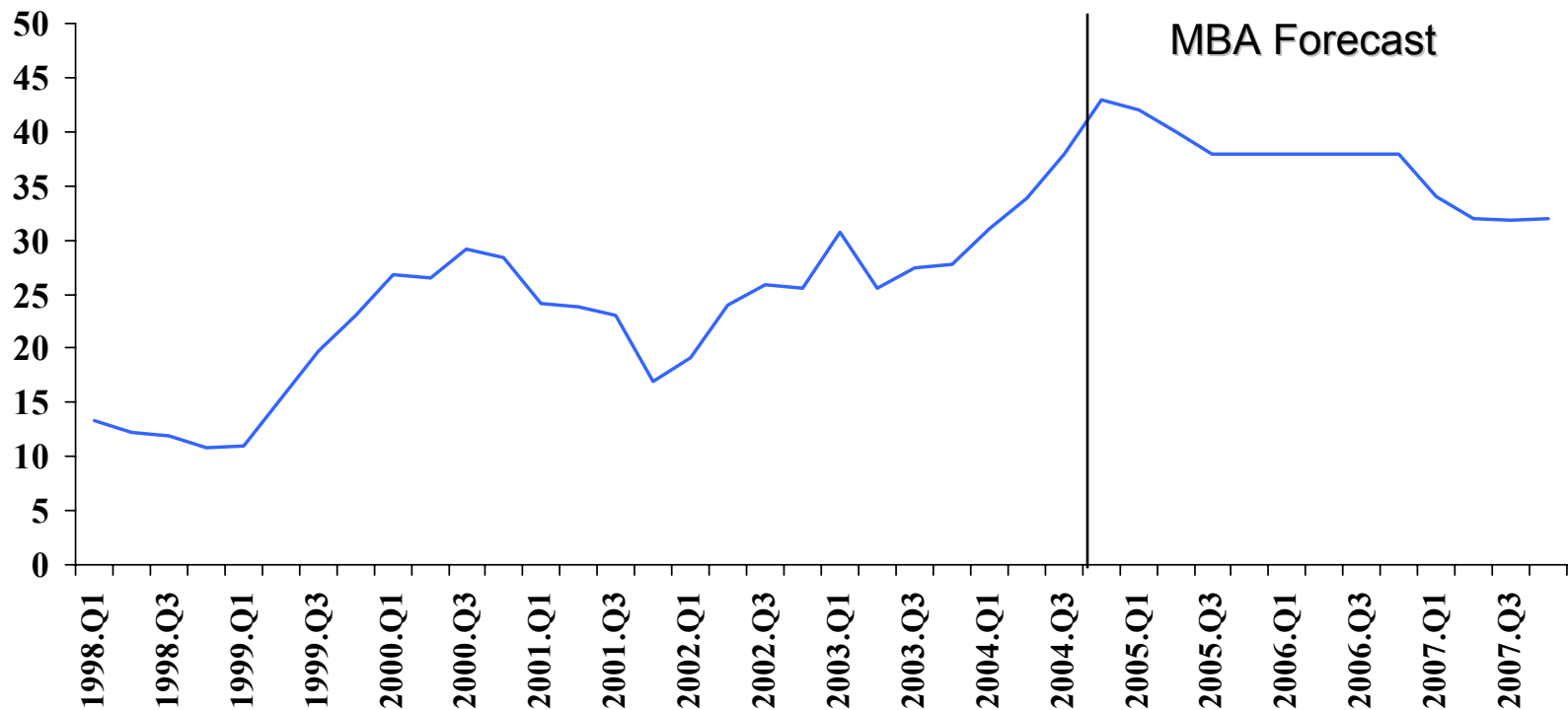
Percent Change, Seasonally Adjusted at Annual Rate



Source: Bureau of Economic Analysis

Price of Imported Oil

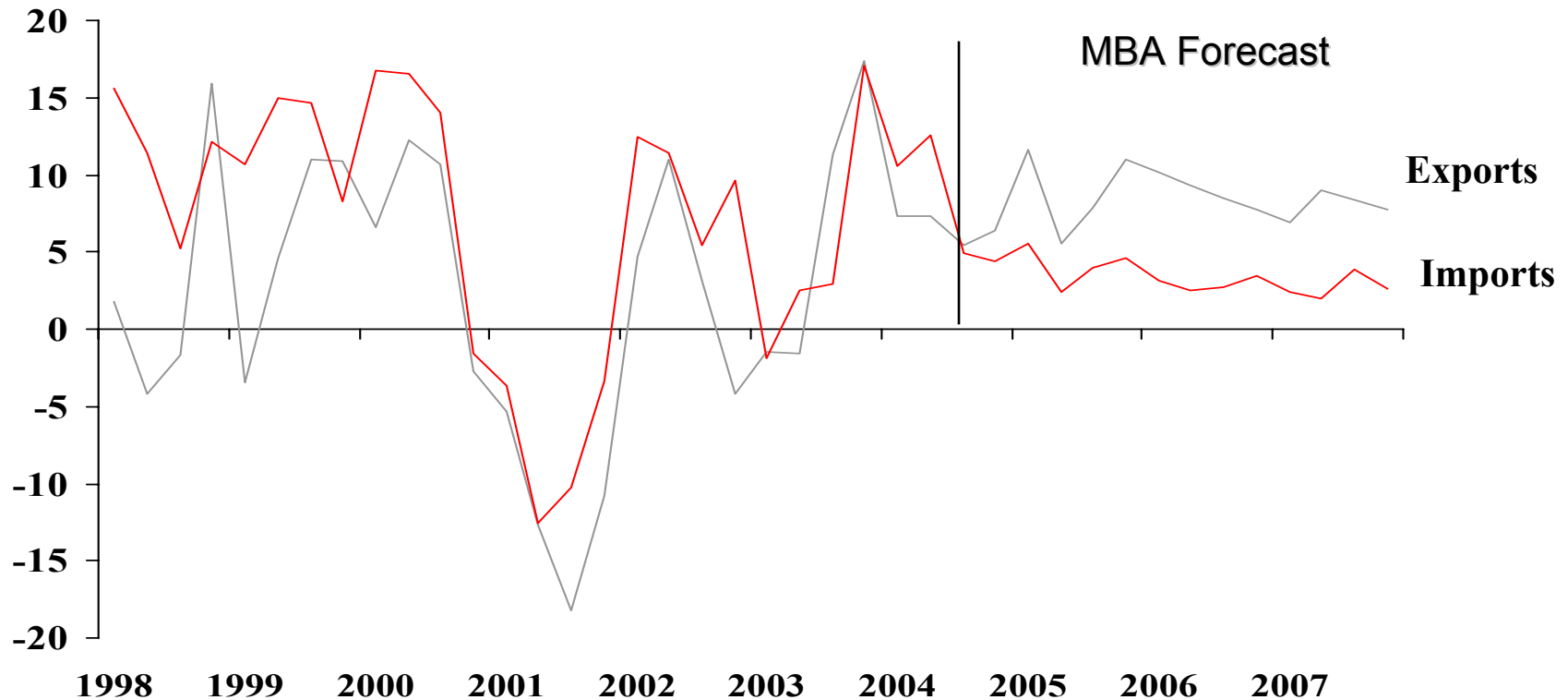
Dollars Per Barrel, Refiners' Acquisition Cost of Crude Oil



Source: Department of Energy

Growth in Real Exports and Imports

Percent Change, Seasonally Adjusted at Annual Rate



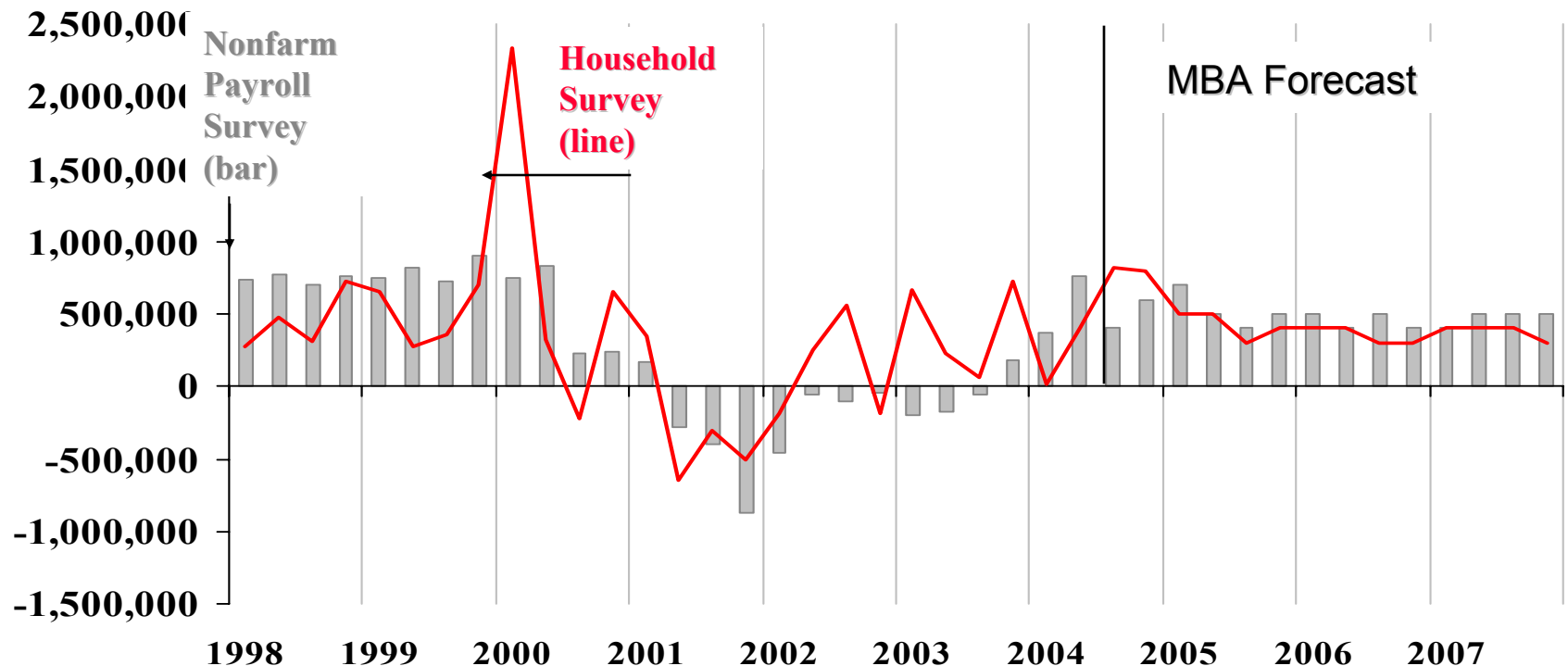
Source: Bureau of Economic Analysis

Fiscal Policy



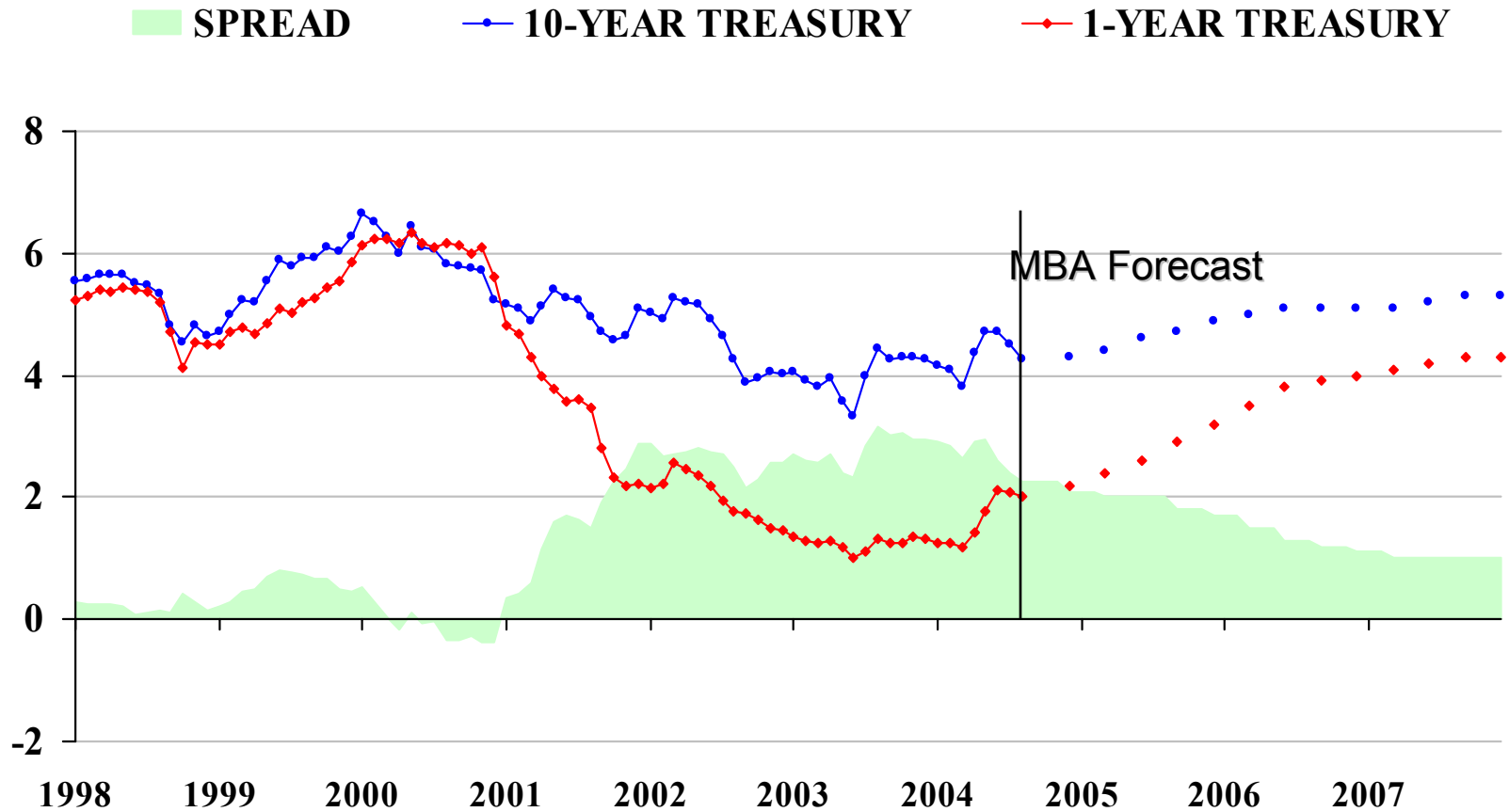
Employment Growth

Quarterly Change in Nonfarm Employment, Seasonally Adjusted, Number of Jobs



Source: Bureau of Labor Statistics

Treasury Yield Curve

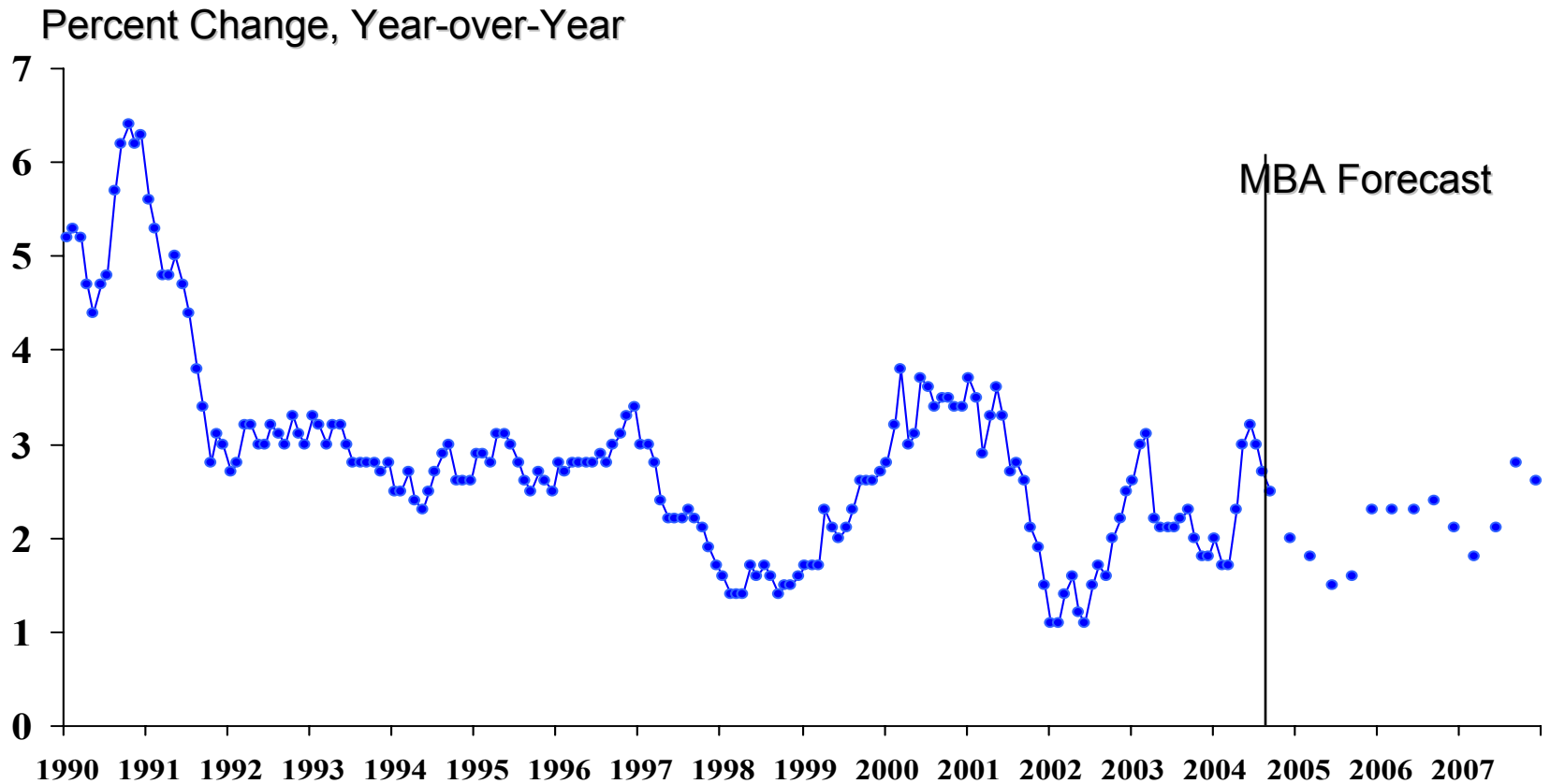


Source: Federal Reserve Board

30 YR FRM to 10-YR CMT Spreads



Inflation - CPI



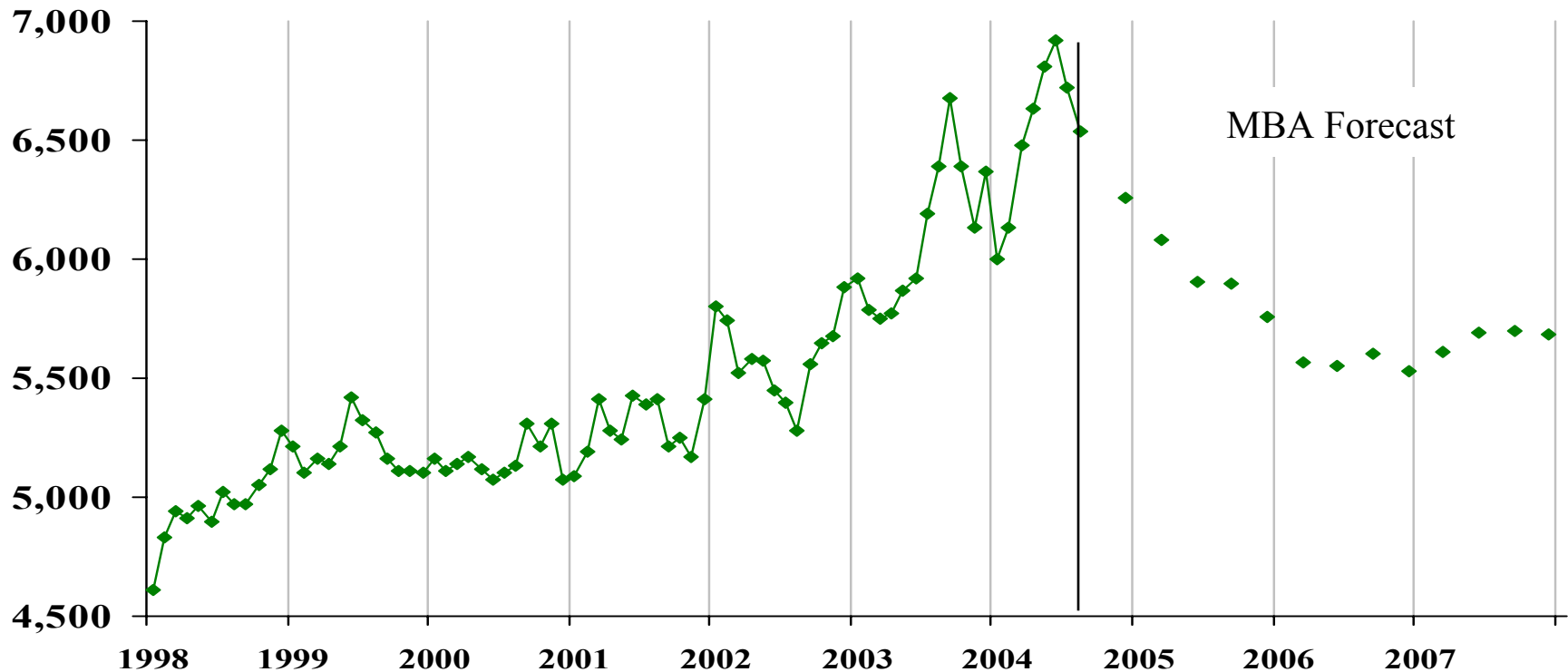
Source: Bureau of Labor Statistics

Housing Demand and Supply

	1990-1995 Annual Average	1996-2003 Annual Average	2004-2007
Population Growth (16 years and over)	1.0 % 1.9 million	1.3 % 2.4 million	1.1 %
Household Growth	1.1 % 1.1 million	1.3 % 1.3 million	1.3 – 1.5 %
Change in Housing Stock	1.1 % 1.2 million	1.4 % 1.6 million	1.3 – 1.5 %
One-Family Residential Construction	1.03 million	1.25 million	1.3 - 1.6 million
New One-Family Home Sales	0.61 million	0.87 million	0.95 - 1.2 million
Multifamily Residential Construction	0.26 million	0.38 million	0.34 million

Sales of Existing One-Family Homes

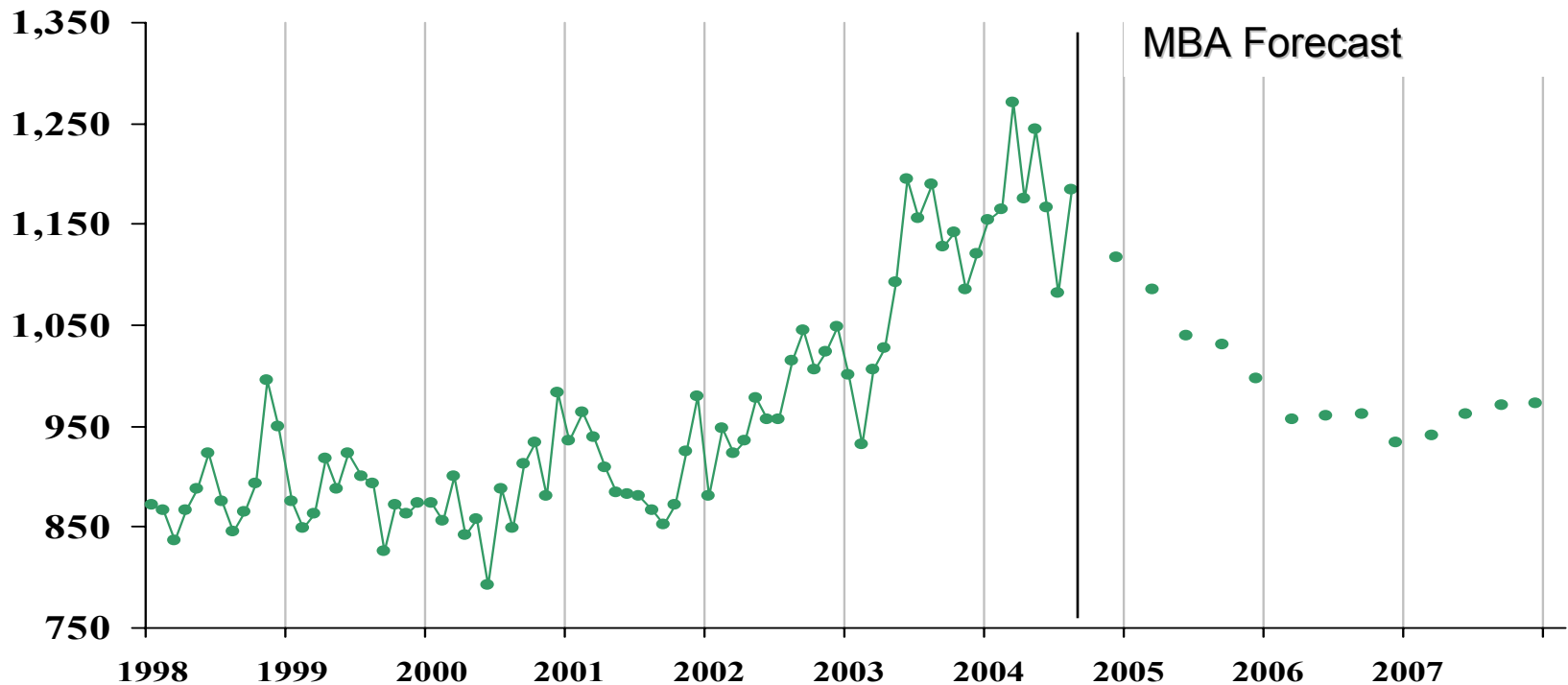
Thousands of Units, SAAR



Source: National Association of Realtors

Sales of New One-Family Homes

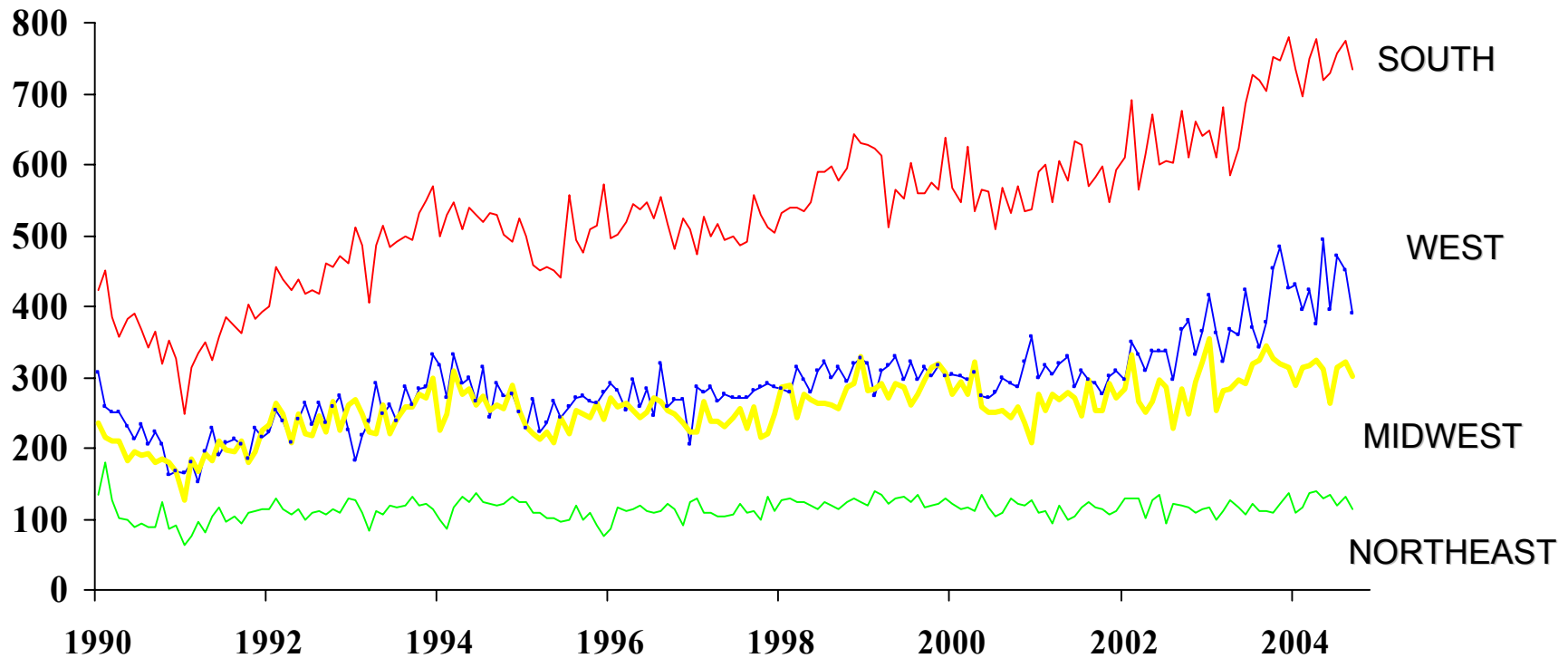
Thousands of Units, SAAR



Source: Census Bureau

One-Family Units Started by Region

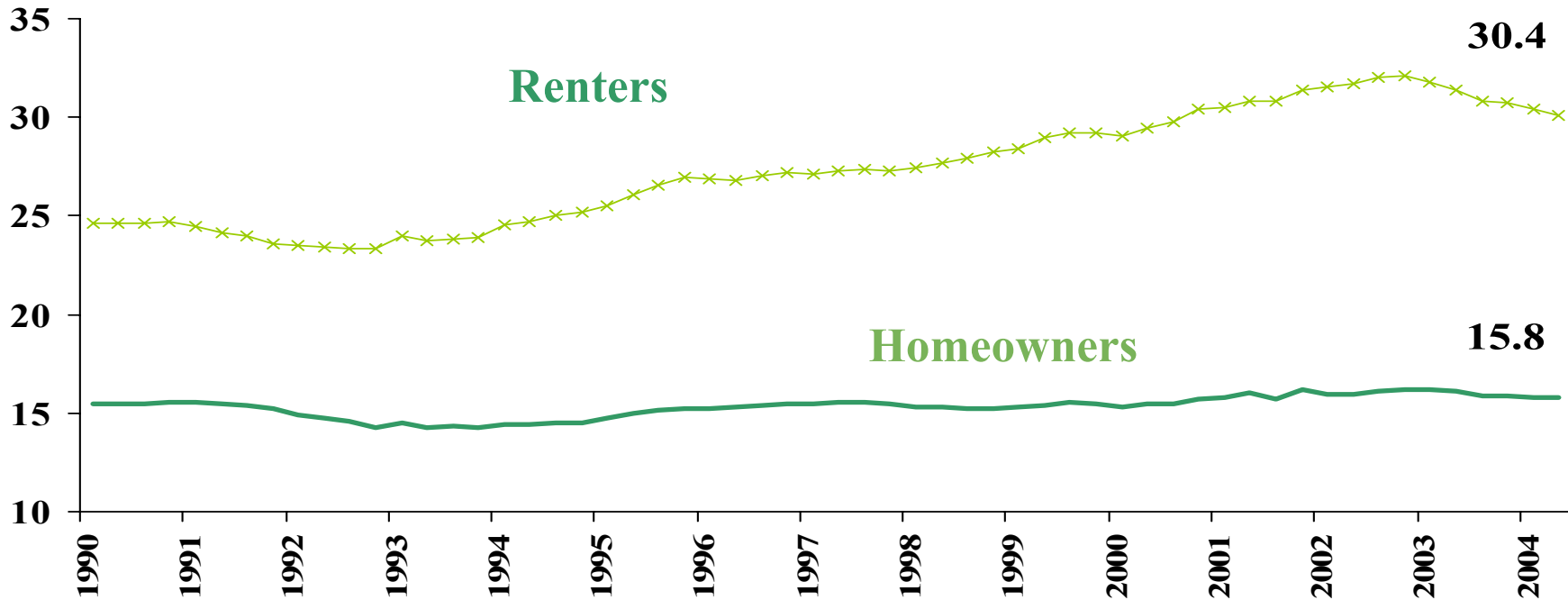
Thousands, SAAR



Source: Census Bureau

Financial Obligations Ratio

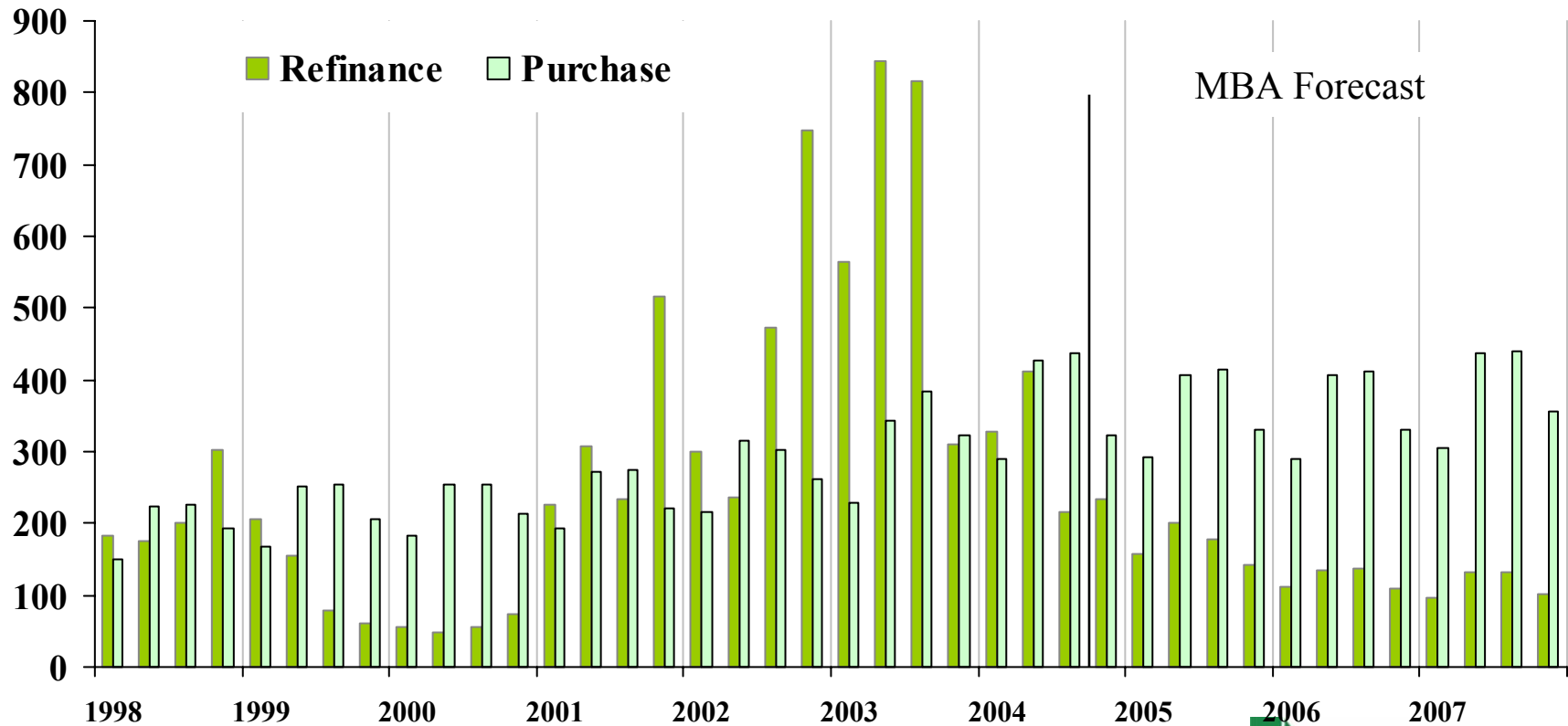
Obligations as a Percentage of Disposable Personal Income, SA



Source: Federal Reserve Board

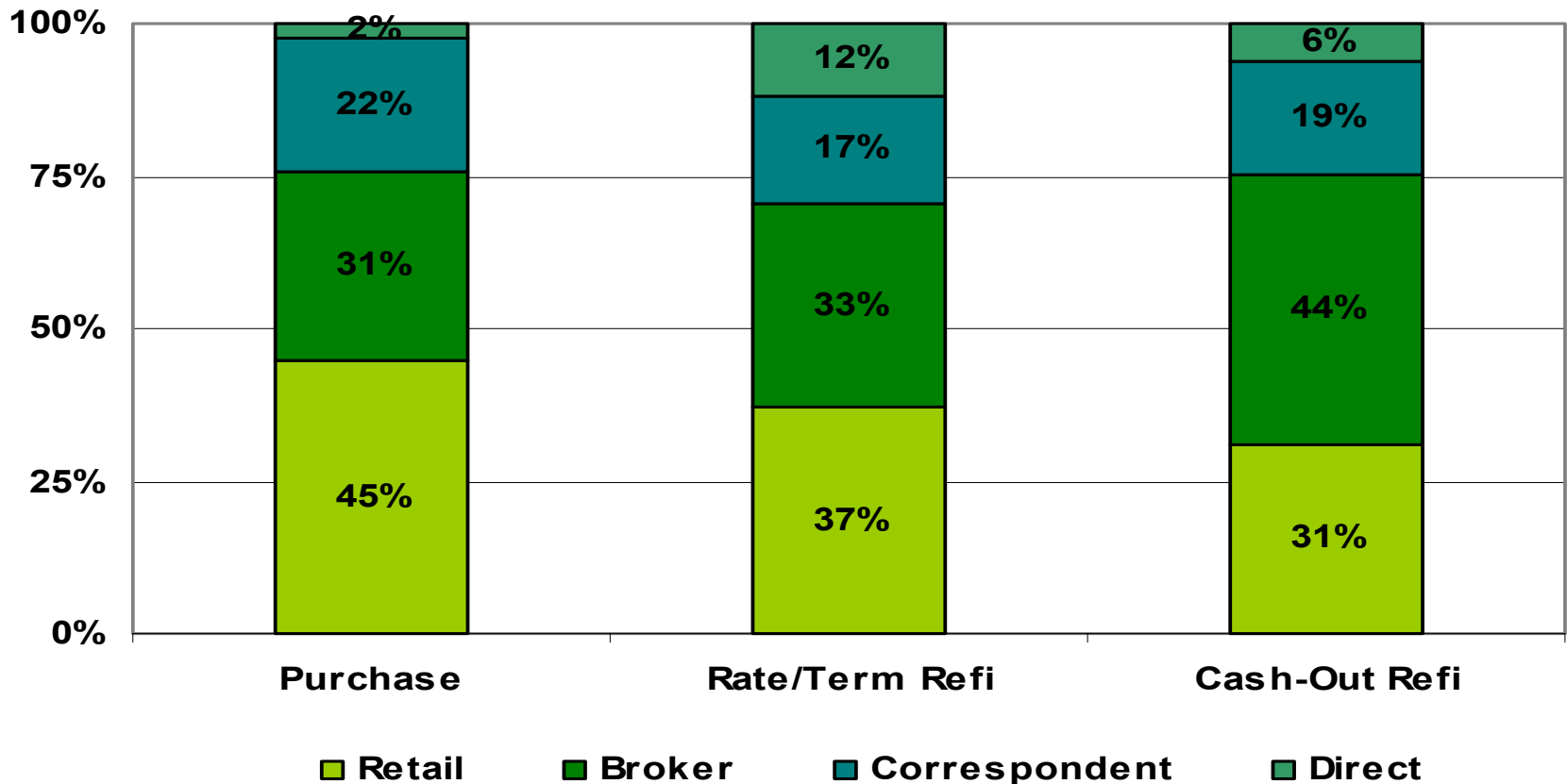
Mortgage Originations

Billions of dollars

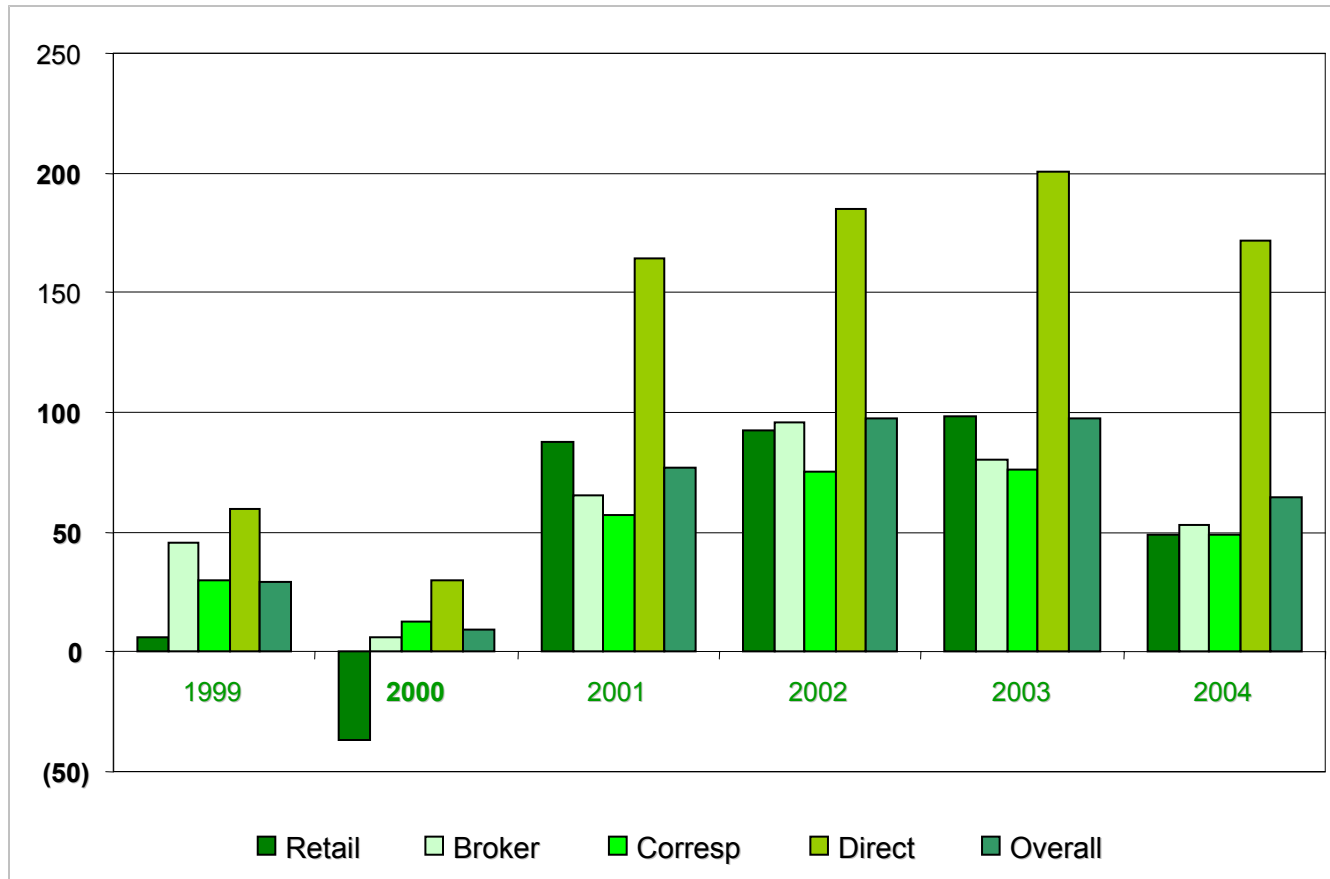


Source: Mortgage Bankers Association

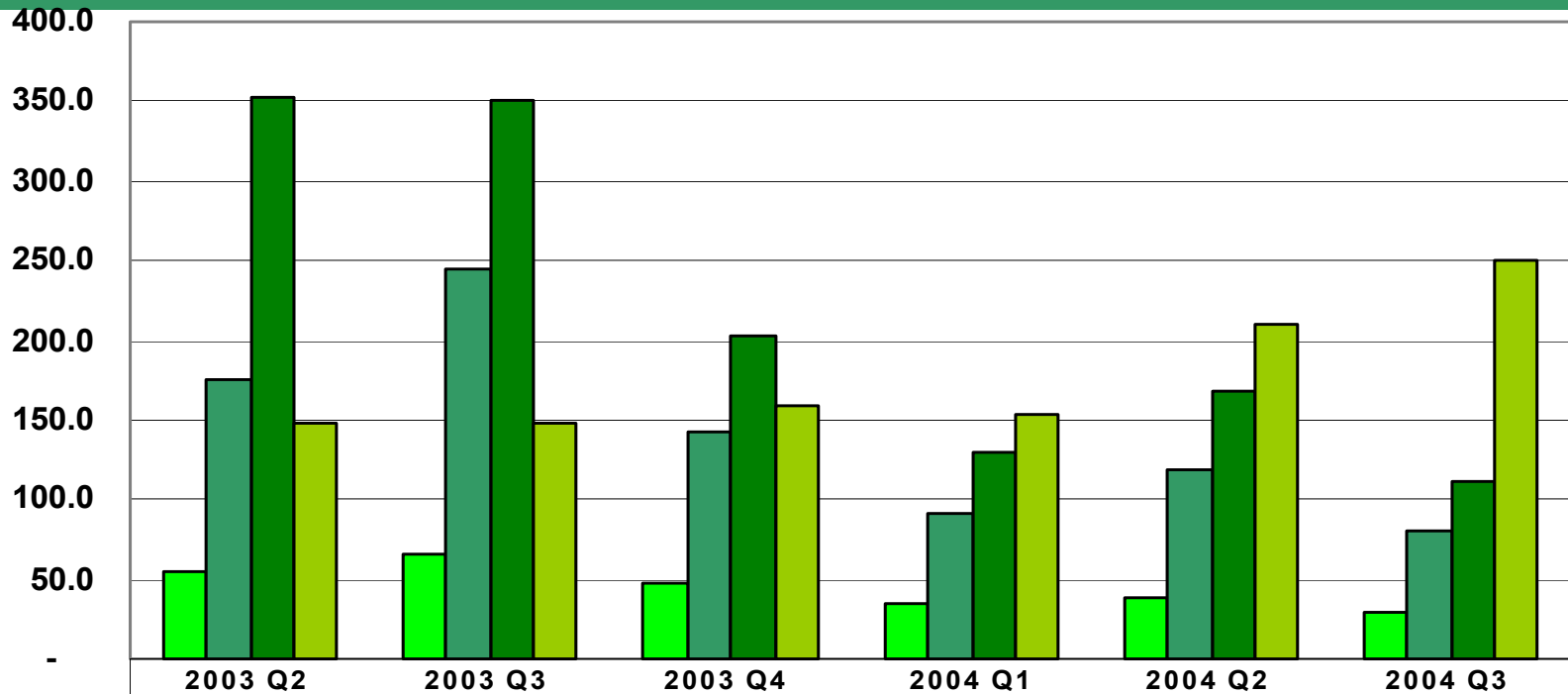
2004 Originations by Type and Channel



Large Lender Pre-Tax Production Margins by Channel (BPS Per Loan)



RMBS Issuance

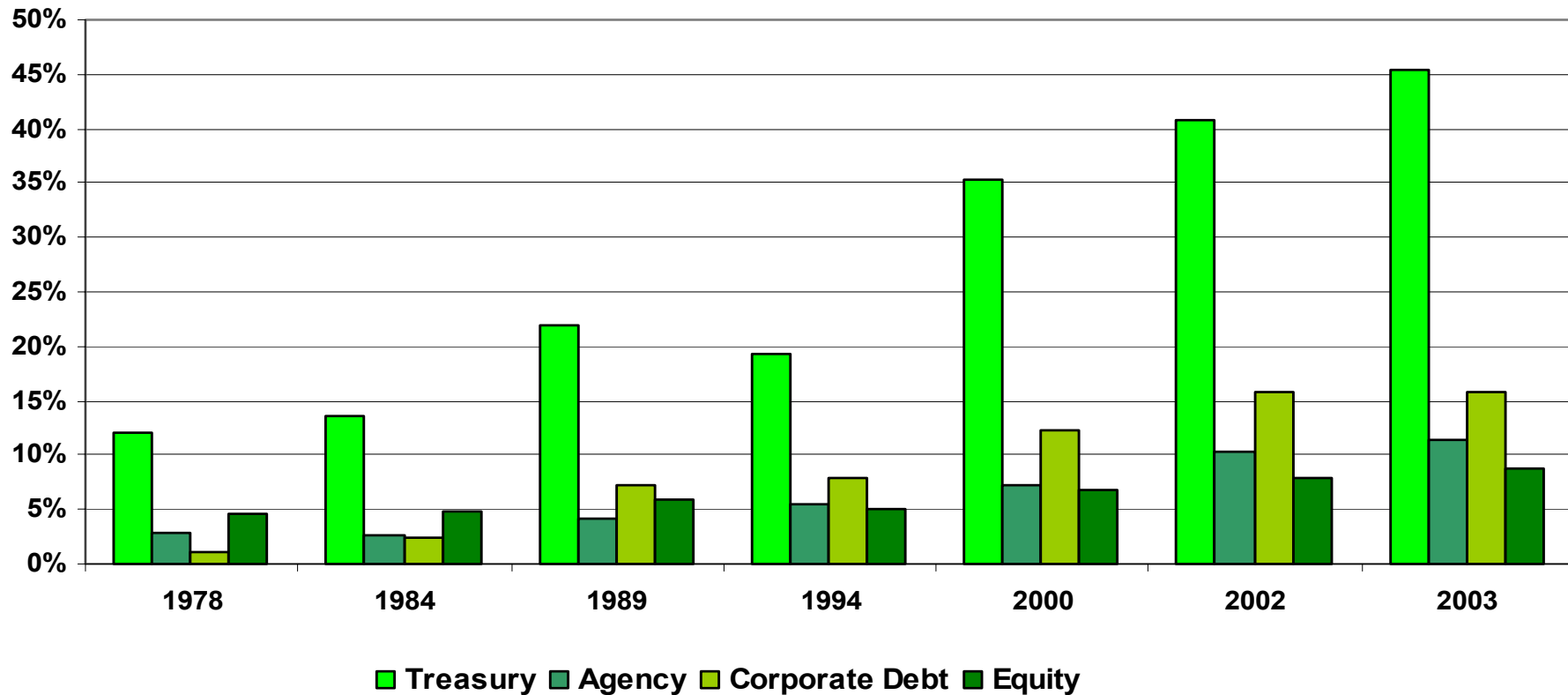


■ Ginnie
■ Freddie
■ Fannie
■ Private Label

2003 Q2	54.5	176.0	353.0	147.4
2003 Q3	65.8	245.4	349.9	148.6
2003 Q4	48.2	142.9	203.1	159.3
2004 Q1	34.1	90.7	129.0	154.2
2004 Q2	38.6	119.0	168.8	210.5
2004 Q3	29.6	80.2	110.6	249.4

■ Ginnie
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Foreign-Owned Share of US Long-Term Securities



TOP 10 FOREIGN HOLDERS OF GSE PAPER

(\$ Billions)	TOTAL	DEBT	MBS	% MBS
Japan	102,433	76,477	25,956	25.3%
China	91,146	88,167	2,979	3.3%
Belgium	64,922	60,947	3,975	6.1%
Luxembourg	38,207	11,906	26,301	68.8%
Taiwan	34,641	31,199	3,442	9.9%
United Kingdom	26,760	14,116	12,644	47.2%
Cayman Islands	25,553	10,070	15,483	60.6%
South Korea	24,778	24,482	296	1.2%
Bermuda	17,943	7,902	10,041	56.0%
Canada	15,985	7,289	8,696	54.4%