



U.S. Economic and Housing Conditions

Sharon L. Stark

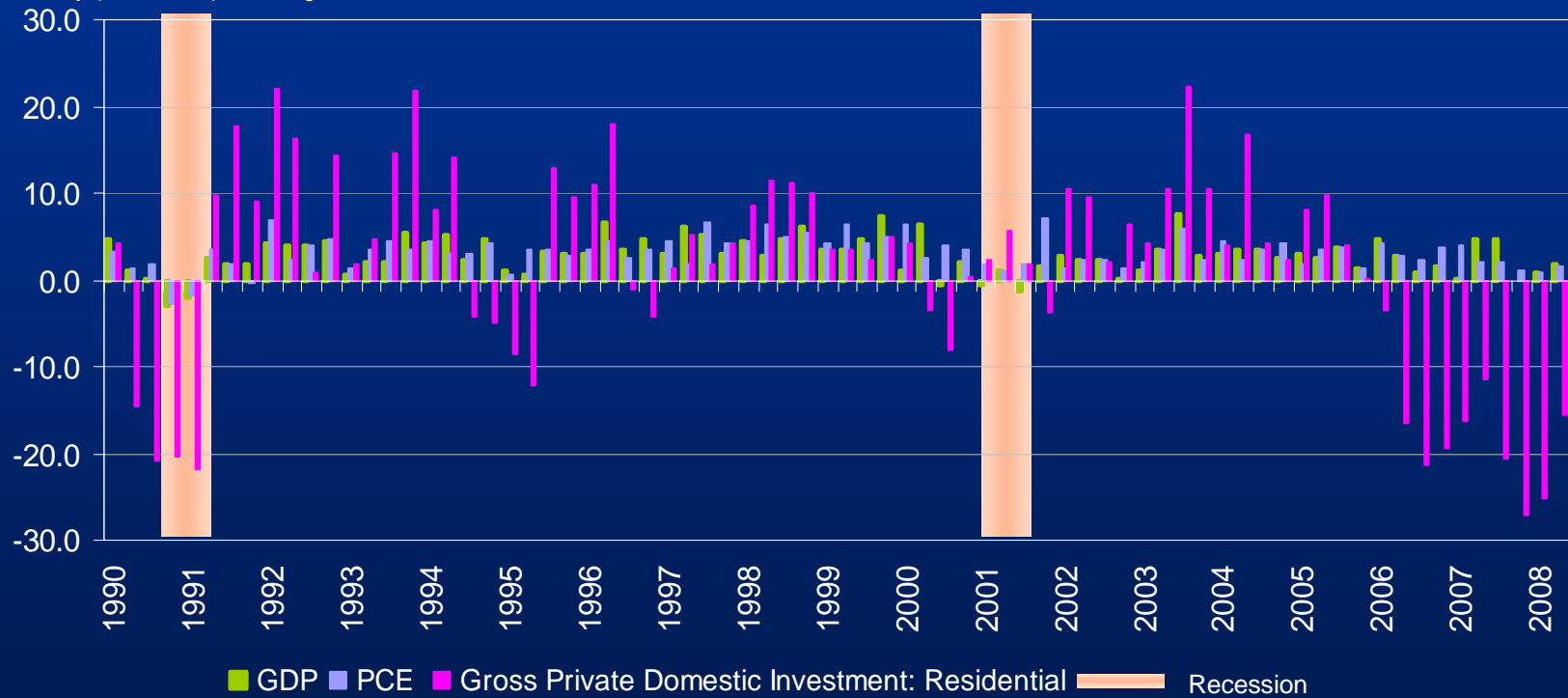
Senior Economic and Policy Advisor

August 2008



Contributions to GDP

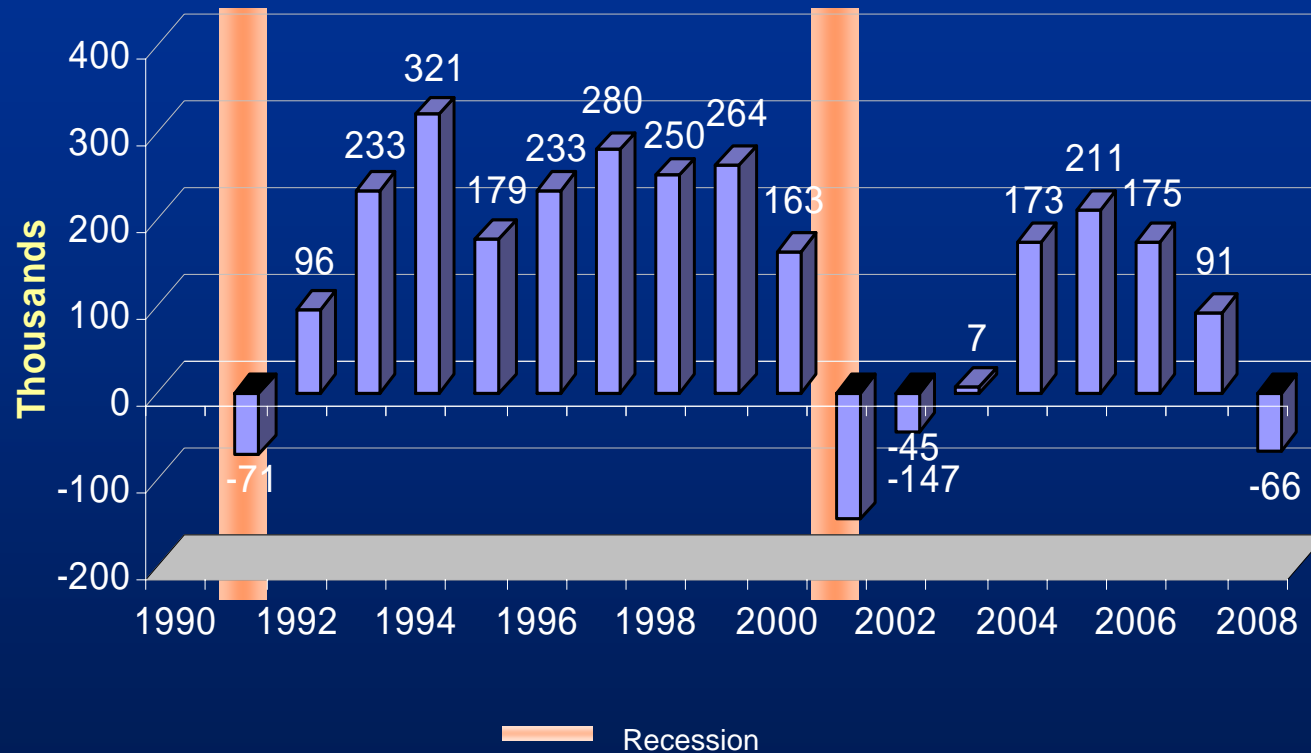
Quarterly (Annualized) % Change



Source: Bureau of Economic Analysis
 As of 2Q 2008
 GDP: Gross Domestic Product
 PCE: Personal Consumption Expenditures



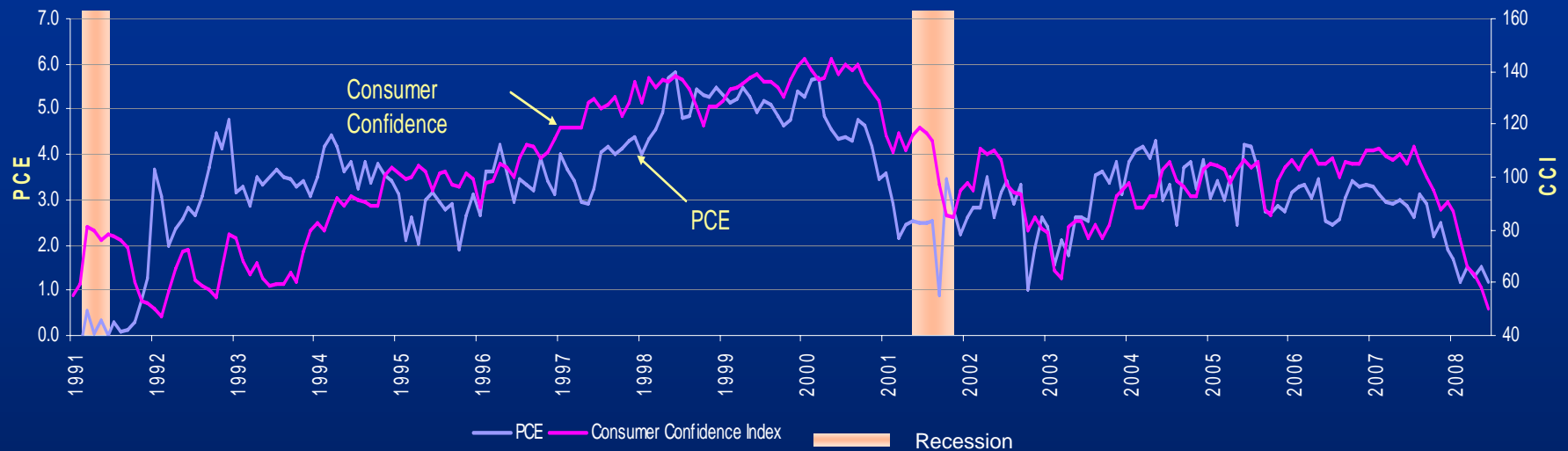
Payrolls are Shrinking



Source: Bureau of Labor Statistics
As of July 2008



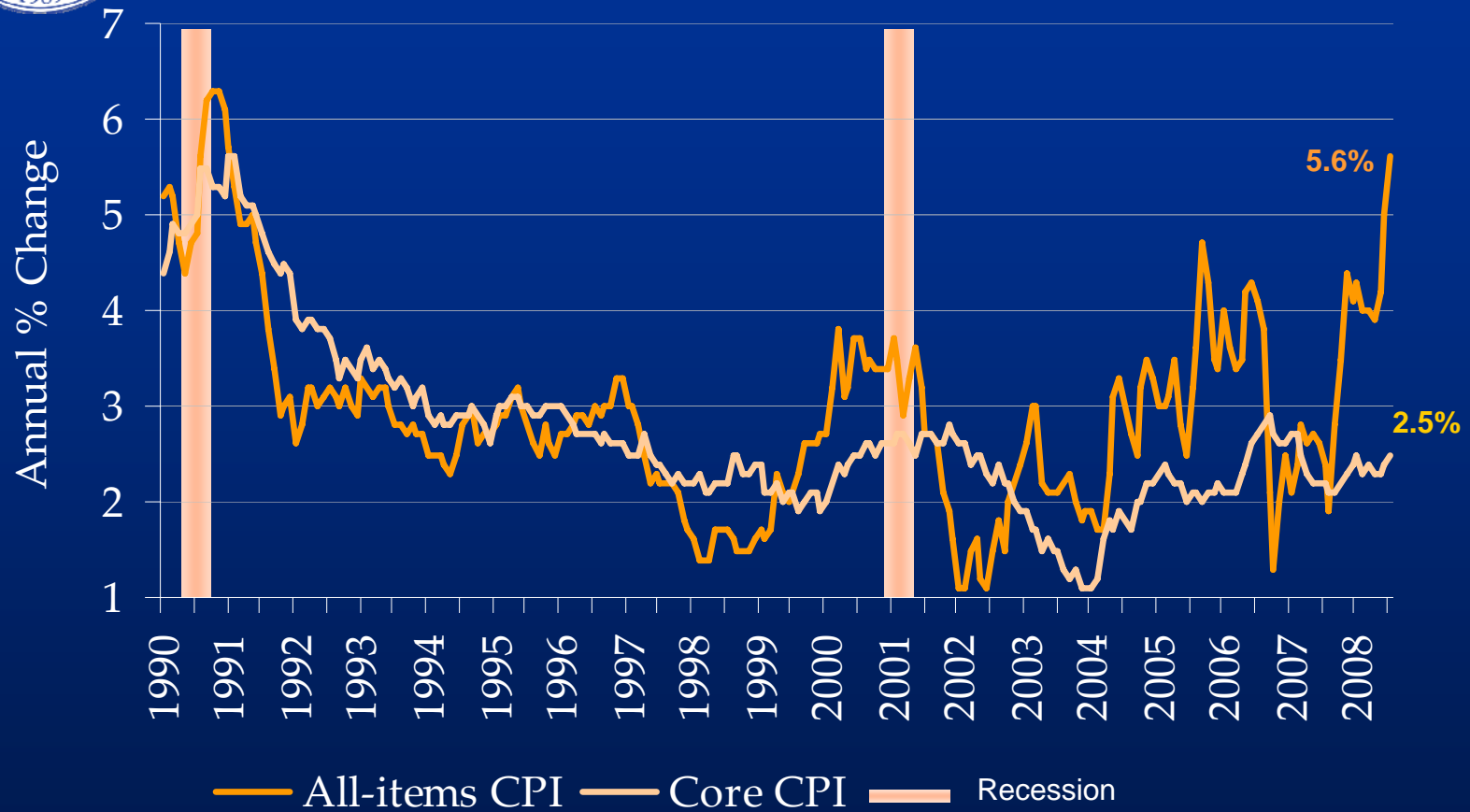
Consumer Confidence Affects Spending



Source: Bureau of Economic Analysis & Conference Board
As of June 2008
PCE: Personal Consumption Expenditures



Inflation Rising



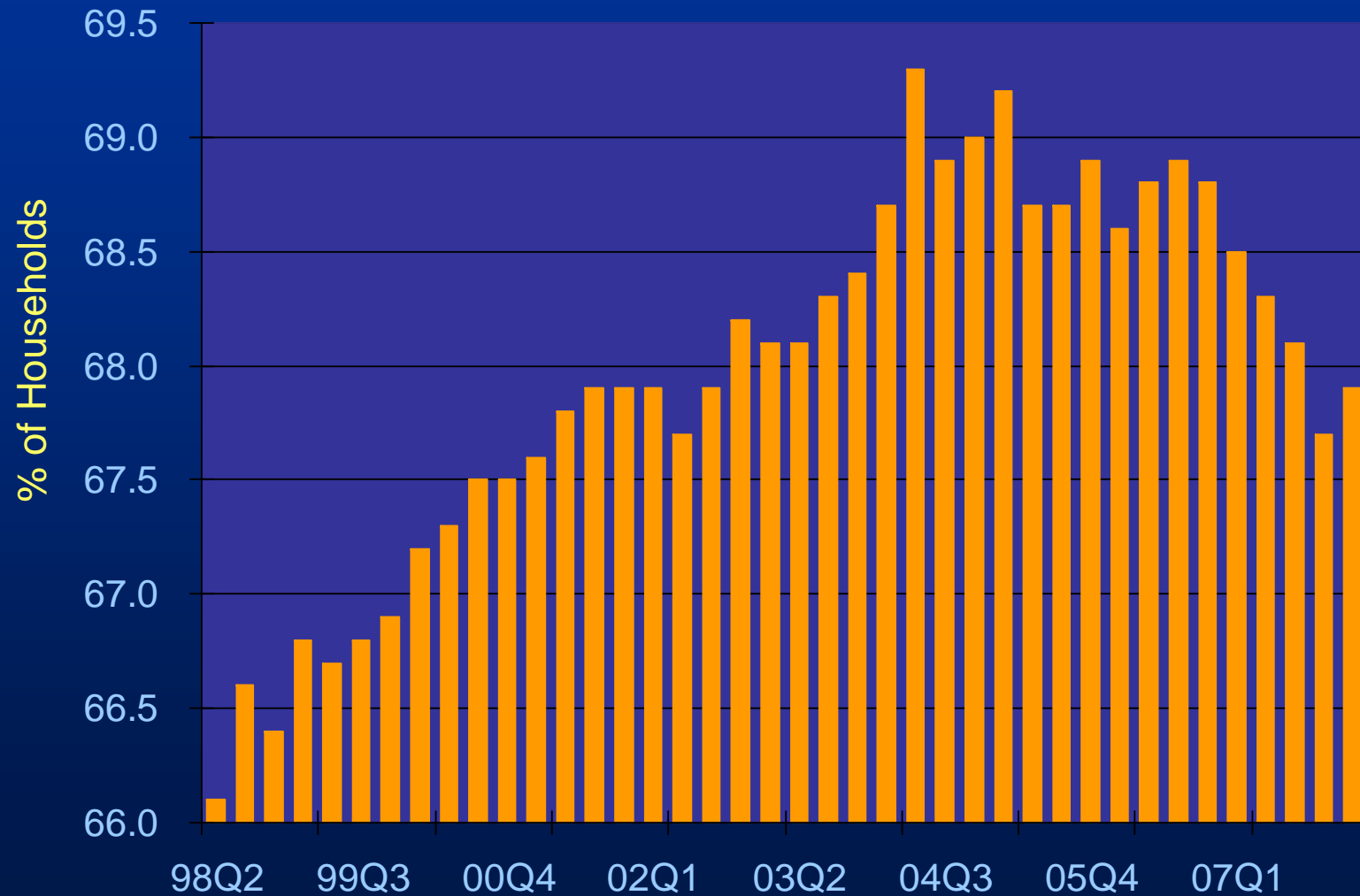
Source: Bureau of Labor Statistics
As of July 2008
CPI: Consumer Price Index



U.S. Housing Conditions



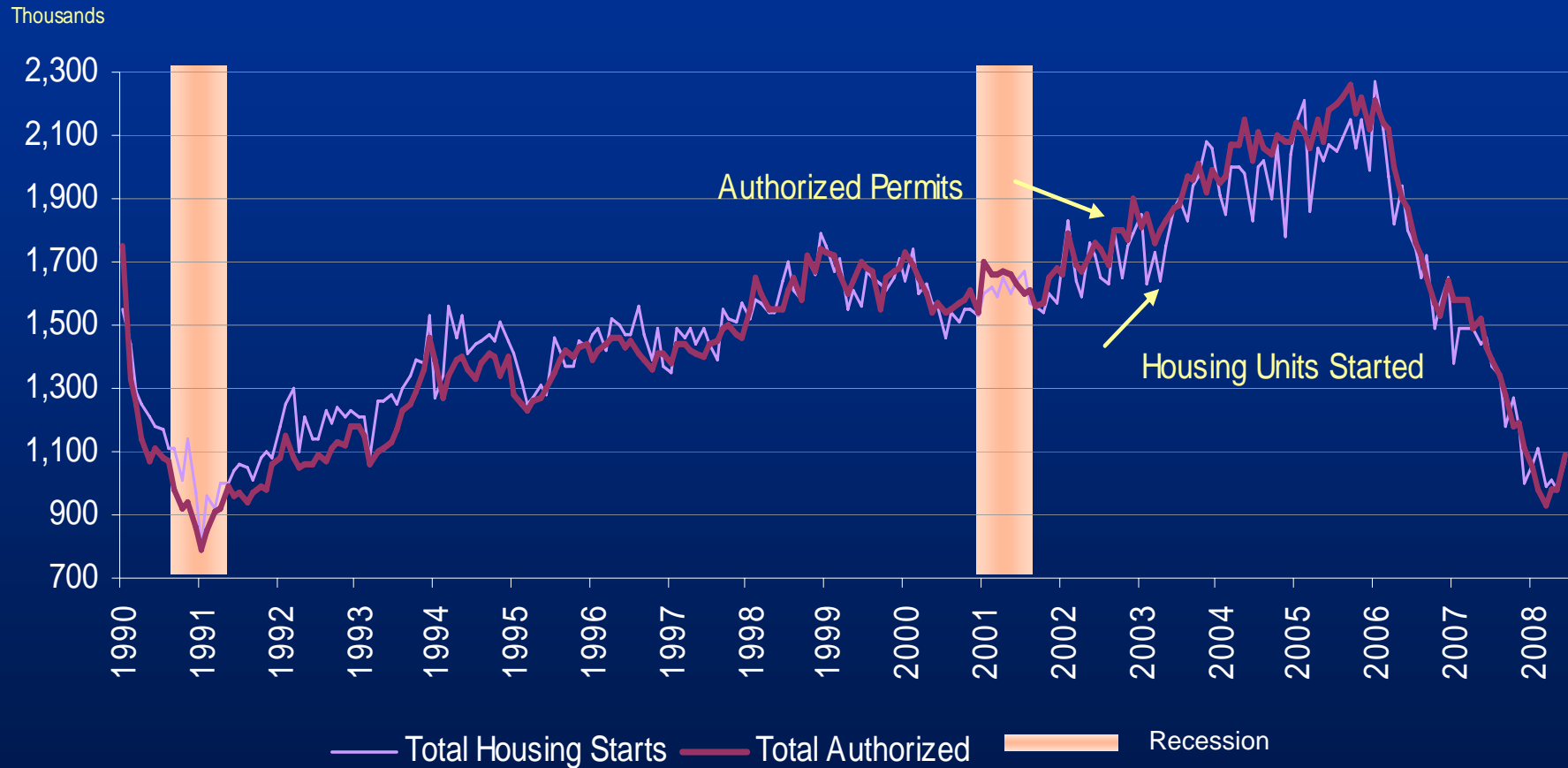
Homeownership Rate



Source: U.S. Census Bureau



Home Construction---Near Bottom

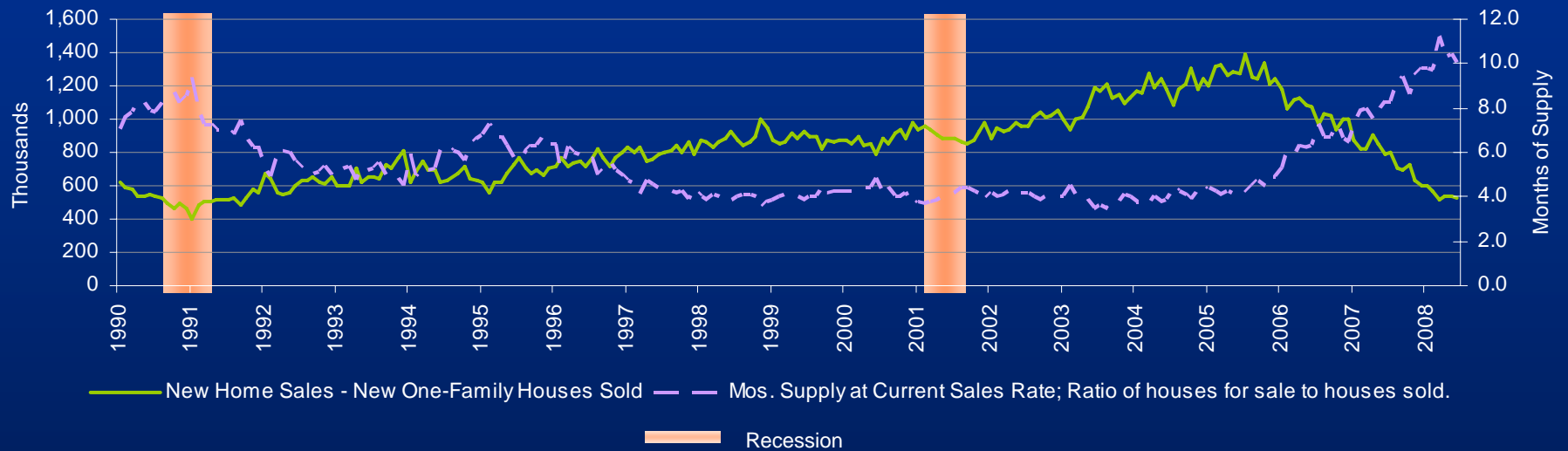


Source: U.S. Census Bureau
As of June 2008



New Home Sales Stabilizing

New Home Sales, Months of Supply and Recessions



Source: U.S. Census Bureau
As of June 2008



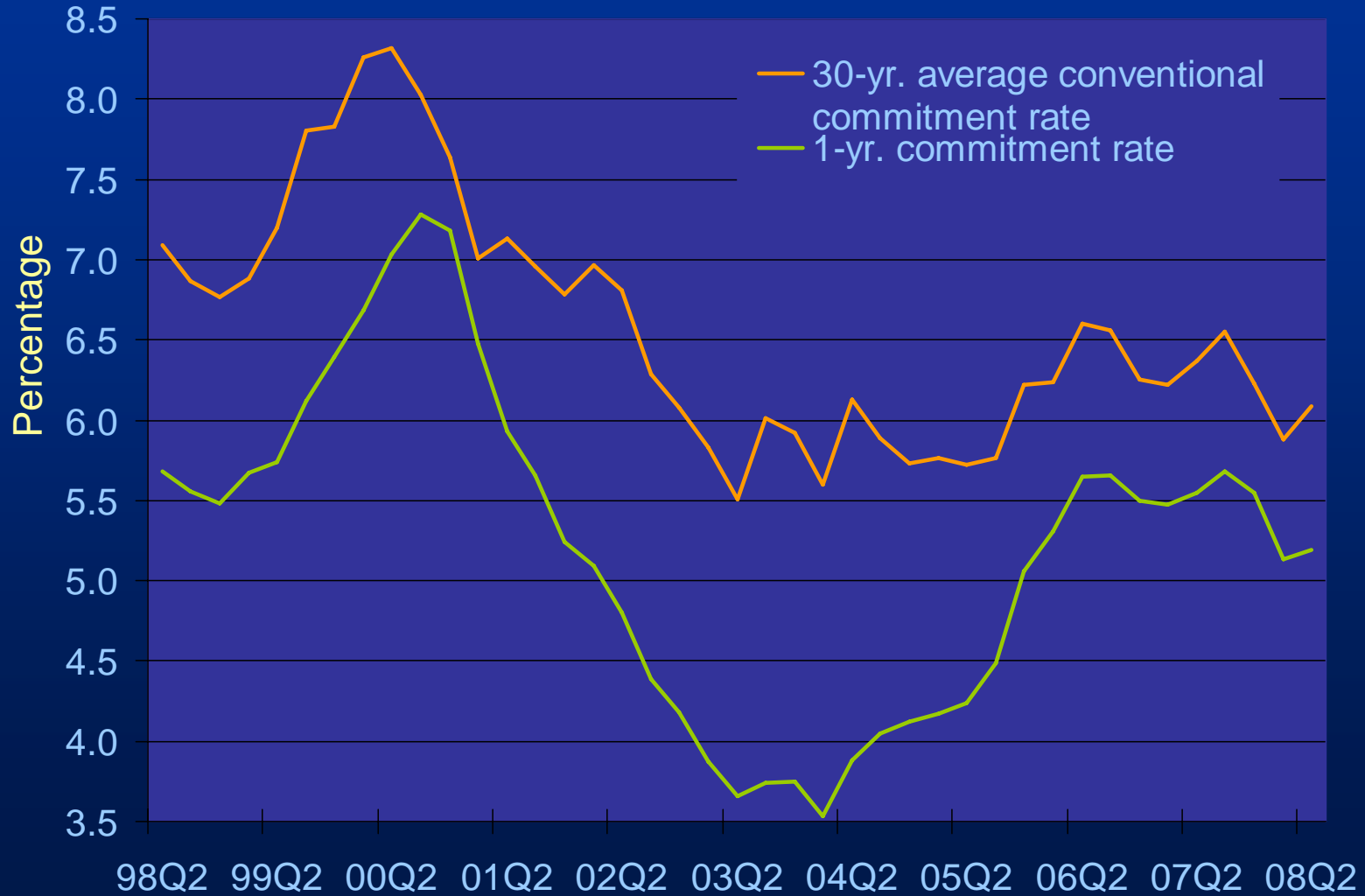
Supply Outstrips Demand



Source: REALTOR.org
As of June 2008



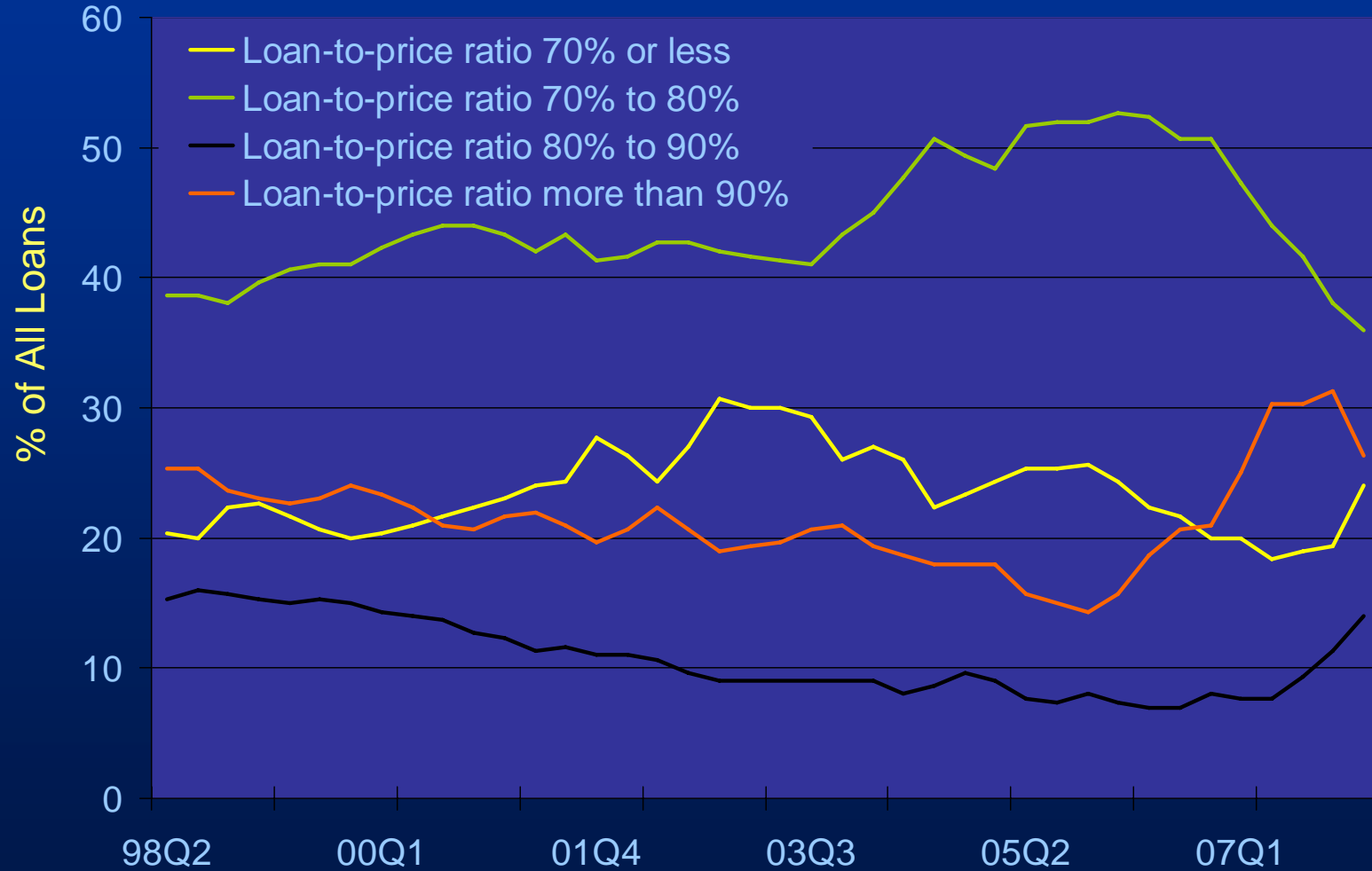
Mortgage Interest Rates



Source: Freddie Mac

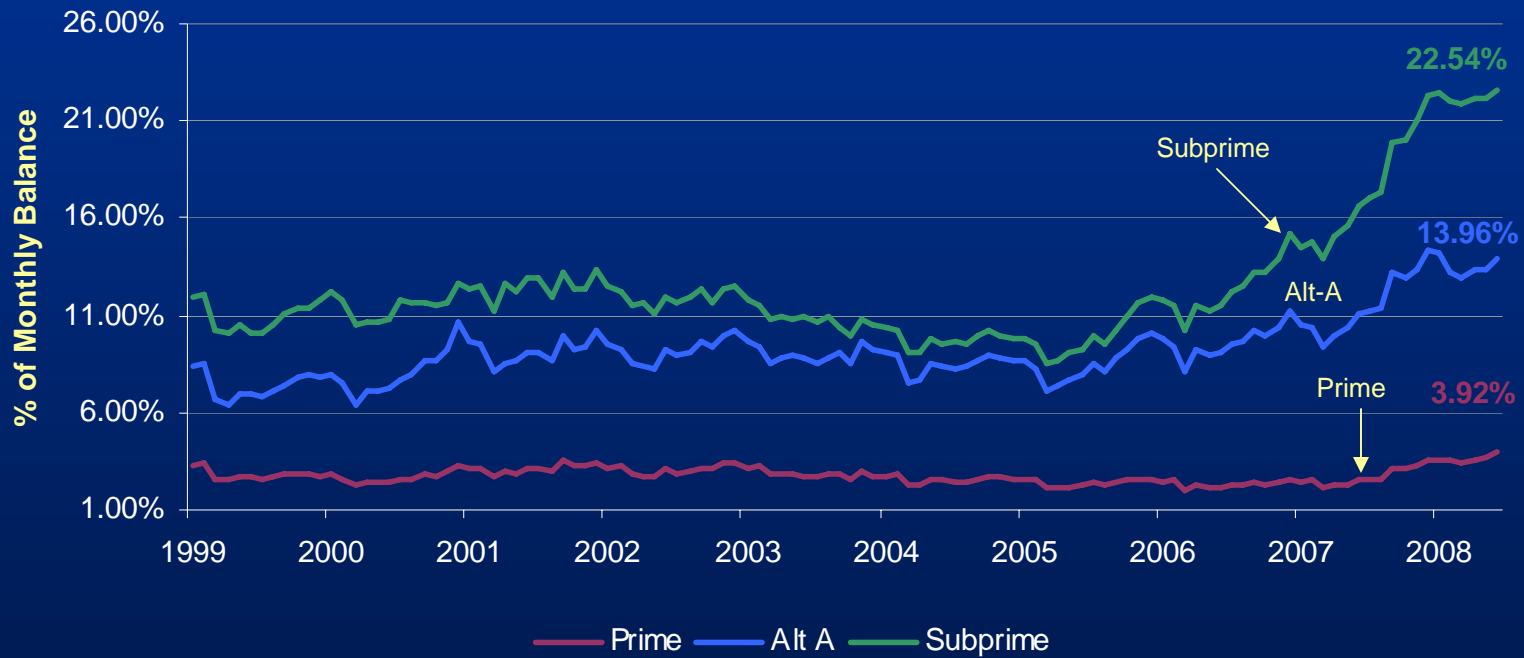


Mortgage Loan-to-Value Ratio





Prime, Alt-A & Subprime 30, 60 & 90+ Days Delinquent



Source: Loan Performance
As of 1999 – June 2008



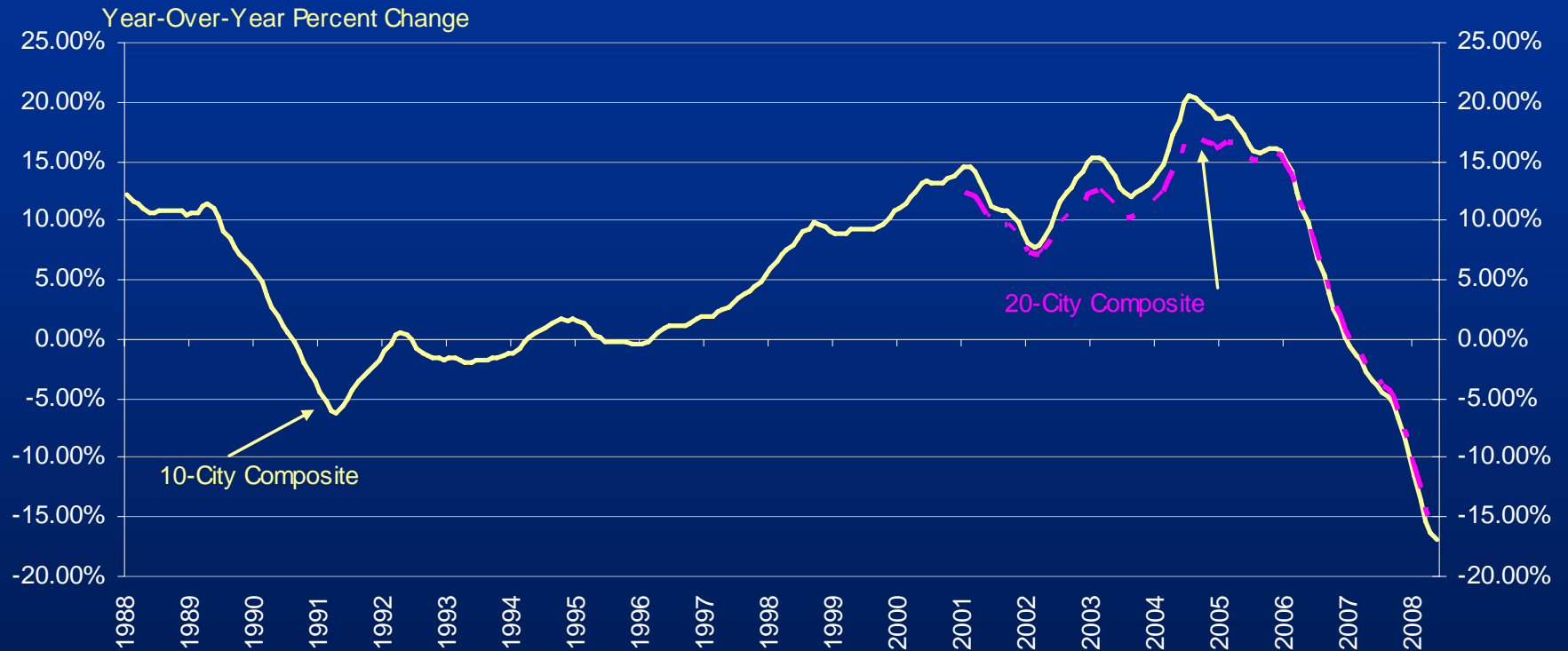
Prime, Alt-A & Subprime Foreclosure



Source: Loan Performance
As of 1999 – June 2008



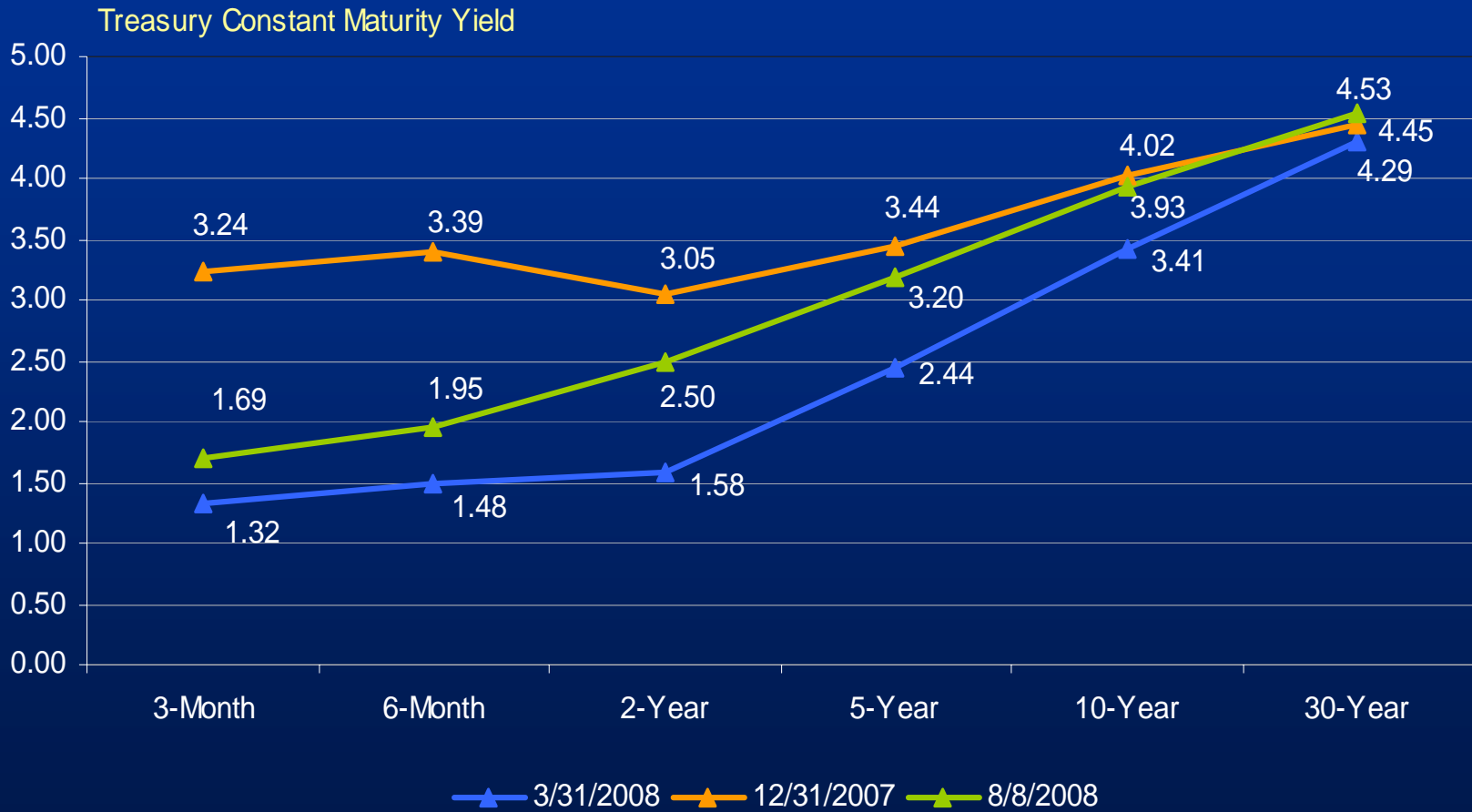
S&P/Case-Shiller Home Price Indices



Source: Standard & Poors's and Fiserv
As of 1988 – May 2008



Treasury Yield Curves



Source: BLOOMBERG, L.P. as of August 8, 2008



30-Year FNMA vs. 10-Year Note

High 238 bps 3/06/08

Low 87 bps 1/21/05

Average 121 bps

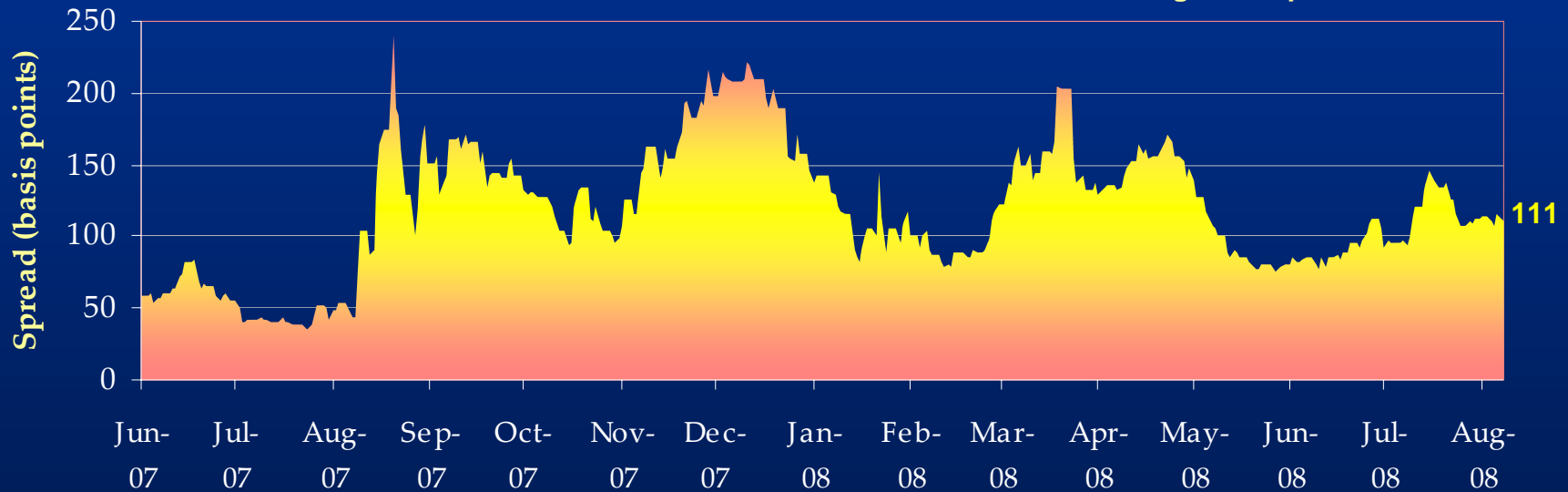


Source: Bloomberg, LP
As of May 1, 2003 – August 8, 2008



3-Month LIBOR vs. 3-Month T-Bill

High 240 bps on 8/20/07
Low 36 bps on 7/24/07
Average 119 bps



Source: Bloomberg, LP
As of June 1, 2007 – August 8, 2008