

► MORTGAGE INTEREST RATES

	30-Year Fixed Rate	One -Year Adjustable Rates
1984	13.88	11.51
1985	12.43	10.05
1986	10.19	8.43
1987	10.21	7.83
1988	10.34	7.90
1989	10.32	8.80
1990	10.13	8.36
1991	9.25	7.09
1992	8.39	5.62
1993	7.31	4.58
1994	8.38	5.36
1995	7.93	6.06
1996	7.81	5.67
1997	7.60	5.61
1998	6.94	5.58
1999	7.44	5.99
2000	8.05	7.04
2001	6.97	5.82
2002	6.54	4.62
2003	5.83	3.76
2004	5.84	3.90
2005*	5.78	4.86

** As of October 31, 2005
Source: Freddie Mac*

► **GSE SHARE OF 1-4 FAMILY MORTGAGE ORIGINATIONS**

	Total Volume (millions \$)	Government Sponsored Enterprise Share	Adjustable Rate Mortgage (ARM) Share*
1994	625,645	40%	39%
1995	564,750	31.5	33.0
1996	677,295	37.0	26.6
1997	756,882	32.5	22.1
1998	1,365,841	41.0	12.2
1999	1,134,355	43.0	21.8
2000	931,978	34.5	24.6
2001	1,900,263	42.3	12.4
2002	2,695,857	44.8	17.1
2003	3,629,423	51.5	18.9
2004	2,776,043	34.8	34.3
2005**	2,747,368	34.4	30.7
2006**	2,418,319	36.4	27.6
2007**	2,408,756	36.9	24.0

**ARM share is percent of total volume of conventional purchase loans.*

*** Freddie Mac Projections (for current projections, go to www.freddiemac.com/news/finance)*

Sources: HUD Survey of Mortgage Lending Activity, Mortgage Bankers Association of America, Federal Housing Finance Board, Freddie Mac

► MORTGAGE ORIGINATIONS BY NATION, REGION AND STATE

(in billions \$)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
U.S.	\$549	\$819	\$951	\$1,684	\$1,460	\$1,184	\$2,080	\$2,878	\$3,368	\$2,444
NORTHEAST	95.4	139.8	153.6	265.7	243.1	190.7	352.1	483.0	582.6	398.2
Connecticut	9.6	14.0	14.8	26.5	22.5	17.3	31.5	45.4	54.9	34.9
Maine	1.0	2.0	2.3	4.2	3.7	2.9	6.5	7.9	9.7	7.9
Massachusetts	15.9	24.3	26.9	53.6	43.4	34.1	75.4	112.0	121.5	76.4
New Hampshire	1.5	2.8	3.4	6.8	5.9	5.1	10.8	15.3	16.8	12.0
New Jersey	20.4	28.4	30.2	52.6	49.7	38.5	75.5	101.1	127.9	85.3
New York	27.7	40.3	44.5	70.8	71.9	56.6	89.9	115.9	145.2	108.9
Pennsylvania	17.0	24.2	27.0	43.6	39.6	31.0	53.9	70.0	91.5	58.3
Rhode Island	1.9	2.8	2.8	5.4	4.5	3.8	6.1	11.0	15.1	11.1
Vermont	0.4	1.0	1.7	2.2	1.9	1.4	2.5	4.4	5.3	3.4
MIDWEST	114.0	171.3	201.4	361.7	293.4	235.0	419.8	586.0	653.3	402.0
Illinois	30.8	43.9	51.7	90.1	72.8	57.6	109.4	150.0	164.6	106.2
Indiana	8.6	13.5	15.8	27.4	23.6	19.2	35.4	39.0	46.4	28.3
Iowa	2.6	3.7	4.5	8.3	6.9	5.9	7.8	14.2	16.3	10.6
Kansas	3.2	4.9	5.7	9.9	8.9	7.1	10.6	16.3	18.1	11.5
Michigan	20.9	31.6	38.5	70.5	54.9	42.8	77.7	115.0	119.3	68.9
Minnesota	9.2	14.3	15.8	32.3	25.0	21.5	39.3	60.7	70.9	42.3
Missouri	8.2	12.7	14.8	25.7	21.4	17.9	35.1	44.0	49.2	31.9
Nebraska	1.8	2.8	3.5	6.2	5.1	4.3	3.4	9.8	10.9	6.5
North Dakota	0.5	0.7	0.8	1.5	1.1	0.8	1.4	1.8	2.7	1.7
Ohio	20.2	29.4	33.6	57.1	49.9	39.6	61.2	77.8	92.9	56.5
South Dakota	0.5	1.0	1.1	2.1	1.8	1.4	1.7	3.2	3.9	2.7
Wisconsin	7.5	12.8	15.6	30.6	22.0	16.9	36.8	54.2	58.1	34.9

Source: Inside Mortgage Finance

► **MORTGAGE ORIGINATIONS BY REGION AND STATE**

(in billions \$)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
SOUTH	\$157.5	\$237.1	\$271.8	\$450.5	\$416.5	\$352.7	\$609.6	\$711.8	\$853.7	\$663.8
Alabama	5.3	7.9	9.0	14.6	13.2	10.9	18.1	20.2	24.1	17.3
Arkansas	2.5	3.7	4.2	6.9	6.5	5.5	10.4	9.2	11.2	8.4
Delaware	1.4	2.1	2.6	4.1	3.7	3.1	4.5	7.4	9.6	7.3
District of Columbia	1.5	2.1	2.5	4.3	3.8	3.3	5.6	9.0	10.1	8.0
Florida	32.4	46.9	52.4	84.6	78.1	68.8	109.5	144.3	186.4	165.4
Georgia	15.2	23.9	28.2	47.8	44.9	38.5	68.2	73.0	84.6	60.0
Kentucky	3.9	6.5	8.0	14.1	12.3	10.2	16.8	20.2	23.7	15.1
Louisiana	4.7	6.6	7.4	12.1	11.4	9.2	17.5	16.1	21.1	15.1
Maryland	16.0	23.5	25.8	45.7	36.4	27.2	54.9	74.0	95.6	71.3
Mississippi	1.7	3.2	4.2	6.6	6.1	5.2	9.9	8.2	10.6	7.7
North Carolina	12.5	19.4	24.9	40.8	38.7	29.9	58.9	61.1	71.1	47.5
Oklahoma	3.2	4.7	5.4	8.6	9.1	7.2	8.9	11.7	15.1	10.7
South Carolina	4.9	9.1	11.3	17.7	16.9	13.9	25.2	28.0	30.9	22.0
Tennessee	8.8	13.2	14.8	24.6	22.4	18.4	30.4	29.9	36.2	26.5
Texas	27.1	39.1	41.8	65.9	67.8	64.7	99.0	102.7	129.0	90.6
Virginia	15.6	23.8	27.5	48.9	42.2	34.3	67.4	91.8	112.3	85.8
West Virginia	0.8	1.4	1.8	3.2	3.0	2.4	4.4	5.0	6.2	5.1
WEST	181.8	270.4	324.3	606.2	506.8	405.4	687.6	1097.6	1248.0	962.0
Alaska	1.0	1.6	1.7	3.2	2.3	1.7	2.4	4.0	5.3	4.2
Arizona	11.6	19.1	22.3	39.5	34.1	29.1	52.5	64.0	73.6	59.6
California	111.1	156.9	187.6	363.4	309.0	244.3	419.7	739.3	821.6	650.8
Colorado	14.6	24.5	28.8	52.7	43.7	39.8	72.1	87.9	91.0	58.8
Hawaii	3.1	4.1	4.3	6.6	6.2	4.9	15.9	12.5	19.3	14.9
Idaho	1.3	3.0	3.7	6.9	5.6	4.4	5.5	9.4	11.5	8.6
Montana	0.4	1.2	1.6	3.4	2.8	2.2	3.5	5.0	5.8	4.3
Nevada	6.0	9.6	10.6	16.7	14.9	13.0	24.2	26.2	36.4	41.5

Source: *Inside Mortgage Finance*

► MORTGAGE ORIGINATIONS BY REGION AND STATE

(in billions \$)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
New Mexico	\$2.9	\$4.5	\$5.2	\$8.7	\$6.9	\$5.4	\$7.6	\$10.3	\$13.5	\$9.4
Oregon	7.4	11.7	15.5	27.4	20.8	15.4	25.1	35.5	41.4	27.3
Utah	6.2	10.8	12.7	22.6	16.2	11.7	22.9	23.6	28.1	18.7
Washington	15.9	22.6	29.4	53.2	42.9	32.3	34.5	78.2	97.4	61.6
Wyoming	0.3	0.8	0.9	1.9	1.4	1.2	1.7	2.7	3.0	2.3

Source: Inside Mortgage Finance

►SUBPRIME LENDING ACTIVITY IN THE UNITED STATES

Year	Dollar Volume (in billions \$)
1996	\$90
1997	125
1998	150
1999	160
2000	140
2001	190
2002	213
2003	335
2004	540

Sources: Inside B&C Lending

► U.S. DELINQUENCY AND FORECLOSURE RATES

	All Loans			Conventional Loans		
	Delinquency Rates*		Foreclosures Started	Delinquency Rates*		Foreclosures Started
	60-90 Days	Over 90 Days		60-90 Days	Over 90 Days	
1990	0.74	0.71	0.31	0.51	0.44	0.26
1991	0.81	0.80	0.34	0.52	0.50	0.22
1992	0.71	0.81	0.33	0.44	0.47	0.26
1993	0.64	0.77	0.32	0.39	0.43	0.22
1994	0.64	0.76	0.33	3.43	0.43	0.22
1995	0.66	0.74	0.33	0.47	0.41	0.25
1996	0.68	0.63	0.34	0.44	0.32	0.24
1997	0.69	0.59	0.36	0.46	0.35	0.27
1998	0.70	0.61	0.36	0.44	0.32	0.27
1999	0.62	0.58	0.30	0.37	0.28	0.21
2000	0.64	0.57	0.29	0.44	0.28	0.23
2001	0.77	0.70	0.35	0.55	0.35	0.28
2002	0.78	0.77	0.37	0.50	0.42	0.27
2003	0.75	0.81	0.38	0.39	0.30	0.20
2004	0.76	0.87	0.43	0.36	0.29	0.19
2005*	0.71	0.81	0.44	0.36	0.31	0.19

*Percent of outstanding loans

Note: data are as of year-end except for 2005 (3rd quarter)

Source: Mortgage Bankers Association of America

► **MORTGAGE RATE IMPACT ON MONTHLY PAYMENTS**

**MONTHLY SAVINGS AT DIFFERENT INTEREST RATES
ON \$150,000 FIXED-RATE MORTGAGE: 15 AND 30 YEAR**

Interest Rate	15 Year Fixed Rate Mortgage		30 Year Fixed-Rate Mortgage	
	Monthly Payment	Savings	Monthly Payment	Savings
11.0%	\$1,705	--	\$1,428	--
10.5%	\$1,658	\$47	\$1372	\$56
10.0%	\$1612	\$46	\$1316	\$56
9.5%	\$1,566	\$46	\$1,261	\$55
9.0%	\$1,521	\$45	\$1,207	\$54
8.5%	\$1,477	\$44	\$1,153	\$54
8.0%	\$1,433	\$44	\$1,101	\$53
7.5%	\$1,391	\$43	\$1,049	\$52
7.0%	\$1,348	\$42	\$998	\$51
6.5%	\$1,307	\$42	\$948	\$50
6.0%	\$1266	\$41	\$899	\$49
5.5%	\$1226	\$40	\$852	\$48
5.0%	\$1,186	\$39	\$805	\$46

Source: Freddie Mac

Note: To obtain the monthly payment for other mortgage amounts, divide the new amount by 150,000 and then multiply the result by the appropriate monthly payment listed above. Example: the monthly payment for a \$200,000 30-year loan at 7% is $(200,000/150,000) \times \$997.95 = 1330.60$.