

MBA Long-term Mortgage Finance Forecast

October 17, 2007

	2006				2007				2008				2009				2006	2007	2008	2009
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Housing Measures (Thous)																				
Housing Starts	2,127	1,861	1,704	1,555	1,460	1,464	1,319	1,199	1,142	1,141	1,168	1,194	1,220	1,250	1,285	1,320	1,801	1,360	1,161	1,269
Single-Family	1,752	1,520	1,393	1,232	1,172	1,166	998	900	850	850	875	900	925	950	975	1,000	1,465	1,059	869	963
Two or More	376	341	311	323	288	299	320	299	292	291	293	294	295	300	310	320	336	301	292	306
Home Sales																				
Total Existing Homes	6,863	6,627	6,287	6,263	6,423	5,917	5,368	5,174	5,145	5,127	5,102	5,206	5,266	5,356	5,446	5,541	6,478	5,720	5,145	5,402
New Homes	1,132	1,086	994	986	853	868	805	752	744	730	724	744	759	774	788	802	1,051	819	736	781
Median Price of Total Existing Homes (Thous \$)	216.9	226.8	225.0	219.3	214.0	223.9	223.1	207.2	210.7	217.7	218.0	205.3	209.3	219.1	218.1	212.5	221.9	217.0	212.9	214.7
Median Price of New Homes (Thous \$)	244.8	246.1	236.2	245.1	255.9	240.2	226.5	238.3	242.5	239.6	224.9	236.8	242.1	243.1	227.6	241.8	246.5	240.2	235.9	238.6
Interest Rates (%)																				
30-Year Fixed Rate Mortgage	6.2	6.6	6.6	6.2	6.2	6.4	6.6	6.5	6.6	6.7	6.8	6.8	6.8	6.8	6.8	6.8	6.4	6.4	6.7	6.8
10-Year Treasury Yield	4.6	5.1	4.9	4.6	4.7	4.8	4.7	4.7	4.8	4.9	5.0	5.0	5.0	5.0	5.0	5.0	4.8	4.7	4.9	5.0
1-Year Treasury ARM	5.3	5.7	5.7	5.5	5.5	5.6	5.7	5.5	5.6	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.5	5.6	5.6	5.7
1-Year Treasury Yield	4.6	5.0	5.1	5.0	5.0	4.9	4.5	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.9	4.7	4.3	4.3
Mortgage Originations																				
Total 1- to 4-Family (Bil \$)	610	729	697	690	631	694	550	438	527	461	450	451	454	435	430	454	2,726	2,313	1,889	1,774
Purchase	305	408	376	310	271	354	314	241	251	258	252	242	250	265	267	268	1,400	1,180	1,003	1,050
Refinance	305	321	321	379	360	340	237	197	276	203	198	209	205	170	164	186	1,326	1,133	886	724
Refinance Share (%)	50	44	46	55	57	49	43	45	52	44	44	46	45	39	38	41	50	49	47	41
ARM Share (%)	28	25	19	14	11	11	13	13	13	14	14	14	15	16	16	16	22	12	14	15

Notes:

Housing starts and home sales are seasonally adjusted at annual rate.

Total existing home sales include condos and co-ops.

Total 1-to-4-family originations and refinance share are MBA estimates. These exclude second mortgages and home equity loans.

Refinance share is percent of total dollar volume of closed loans.

ARM share is percent of total number of closed conventional purchase loans.

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