

MBA Long-Term Economic Forecast

July 10, 2008

	2007				2008				2009				2010				Q4-over-Q4			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2007	2008	2009	2010
<i>Percent Change, Annual Rate</i>																				
Real Gross Domestic Product	0.6	3.8	4.9	0.6	1.0	2.2	1.7	-0.8	0.9	1.6	2.4	2.5	3.1	3.1	3.0	3.1	2.5	1.0	1.8	3.1
Personal Consumption Expenditures	3.7	1.4	2.8	2.3	1.1	2.2	0.8	-4.2	-0.2	0.9	1.6	1.1	2.2	2.3	2.0	2.3	2.6	0.0	0.9	2.2
Business Fixed Investment	2.1	11.0	9.3	6.0	0.6	2.8	4.1	-2.4	-4.7	-2.9	0.2	0.7	2.4	3.5	5.1	6.2	7.1	1.2	-1.7	4.3
Residential Investment	-16.3	-11.8	-20.5	-25.2	-24.6	-15.1	-12.1	-11.0	-2.1	6.2	9.2	12.9	14.4	14.3	17.8	18.0	-18.6	-15.8	6.4	16.1
Govt. Consumption & Investment	-0.5	4.1	3.8	2.0	2.1	2.8	1.6	1.4	1.8	1.7	1.5	1.5	1.5	1.4	1.7	1.4	1.4	2.0	1.9	2.2
Net Exports (Bil. Chain 2000\$)	-612	-574	-533	-503	-480	-454	-452	-419	-382	-354	-332	-308	-294	-292	-294	-303	-556	-451	-344	-296
Inventory Investment (Bil. Chain 2000\$)	0	6	31	-18	-20	-35	-13	25	19	9	6	8	10	21	27	35	5	-11	10	23
GDP Deflator	4.2	2.6	1.0	2.4	2.7	0.7	2.3	2.2	2.5	2.0	1.9	1.6	1.9	1.6	1.6	1.3	2.6	2.0	2.0	1.6
Consumer Prices	3.7	4.6	2.8	5.0	4.3	4.5	6.5	3.1	2.5	2.2	2.2	2.3	2.3	2.5	2.5	2.2	4.0	4.6	2.3	2.4
<i>Percent</i>																				
Unemployment Rate	4.5	4.5	4.7	4.8	4.9	5.3	5.6	5.7	5.8	5.8	5.8	5.8	5.8	5.7	5.6	5.5	4.6	5.4	5.8	5.7
Federal Funds Rate	5.3	5.3	5.1	4.5	3.2	2.1	2.0	2.0	2.0	2.3	2.5	2.8	3.0	3.5	4.0	4.0	5.0	2.3	2.4	3.6
10-Year Treasury Bond Rate	4.7	4.8	4.7	4.3	3.7	3.9	4.1	4.2	4.2	4.2	4.3	4.3	4.4	4.5	4.6	4.7	4.6	4.0	4.3	4.5

All data except interest rates are seasonally adjusted.

Forecast produced with the assistance of the Macroeconomic Advisers' model.

Copyright 2008 Mortgage Bankers Association. All rights reserved.

THE HISTORICAL DATA AND PROJECTIONS ARE PROVIDED

"AS IS" WITH NO WARRANTIES OF ANY KIND.

