

MBA Mortgage Finance Forecast

August 16, 2010

	2009				2010				2011				2012				2009	2010	2011	2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Housing Measures (Thous)																				
Housing Starts	530	537	586	565	617	602	545	575	610	670	715	760	830	900	1,020	1,140	553	585	689	973
Single-Family	362	423	496	488	524	491	450	475	500	550	575	600	650	700	800	900	440	485	556	763
Two or More	168	114	90	76	93	111	95	100	110	120	140	160	180	200	220	240	113	100	133	210
Home Sales																				
Total Existing Homes	4,583	4,757	5,290	5,970	5,140	5,607	4,910	5,047	5,119	5,304	5,390	5,452	5,611	5,752	5,952	6,053	5,150	5,176	5,316	5,842
New Homes	353	368	401	373	360	340	305	327	366	399	419	442	471	498	551	614	374	333	407	533
FHFA US House Price Index (YOY % Change)	-3.5	-4.0	-4.0	-4.5	-6.8	-5.6	-4.6	-4.1	-3.7	-3.3	-2.9	-1.9	-0.8	-0.1	0.4	2.2	-4.5	-4.1	-1.9	2.2
Median Price of Total Existing Homes (Thous \$)	167.6	174.4	178.1	170.8	166.4	176.9	172.6	172.3	169.4	178.4	177.0	175.7	187.0	194.5	191.7	189.3	172.7	172.0	175.1	190.6
Median Price of New Homes (Thous \$)	207.8	218.7	212.6	218.8	221.8	211.9	217.0	216.4	211.2	220.6	218.7	218.2	225.9	229.5	227.2	231.0	214.5	216.8	217.2	228.4
Interest Rates (%)																				
30-Year Fixed Rate Mortgage	5.1	5.0	5.2	4.9	5.0	4.9	4.7	4.8	4.9	5.0	5.0	5.1	5.2	5.4	5.8	5.8	5.0	4.9	5.0	5.6
10-Year Treasury Yield	2.7	3.3	3.5	3.5	3.7	3.5	2.8	3.0	3.1	3.2	3.2	3.3	3.5	3.6	4.0	4.0	3.3	3.3	3.2	3.8
1-Year Treasury ARM	4.9	4.8	4.7	4.7	4.8	4.7	4.5	4.6	4.7	5.0	5.2	5.5	5.7	5.9	6.2	6.3	4.8	4.7	5.1	6.0
1-Year Treasury Yield	0.6	0.5	0.4	0.3	0.5	0.4	0.0	0.1	0.4	0.8	1.3	1.8	2.2	2.6	3.1	3.4	0.4	0.3	1.1	2.8
Mortgage Originations																				
Total 1- to 4-Family (Bil \$)	411	626	517	548	356	428	409	282	263	318	332	262	260	389	389	335	2,103	1,475	1,174	1,373
Purchase	123	200	223	192	125	180	155	147	153	188	196	160	169	261	261	214	738	606	696	904
Refinance	288	426	295	356	231	248	254	135	110	130	136	102	91	128	128	120	1,365	869	479	468
Refinance Share (%)	70	68	57	65	65	58	62	48	42	41	41	39	35	33	33	36	65	59	41	34
ARM Share (%)	4	4	5	5	6	7	7	7	7	8	8	8	9	8	10	9	5	7	8	9

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.

The FHFA US House Price Index is the forecasted year over year percent change of the FHFA All Transactions House Price Index.

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

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