
WL ROSS & CO. LLC

**Distressed Mortgage Market – Buyer & Seller Perspectives
MBA's Secondary Market Conference**

Presentation by
James B. Lockhart III
Vice Chairman

New York, NY
May 24, 2010

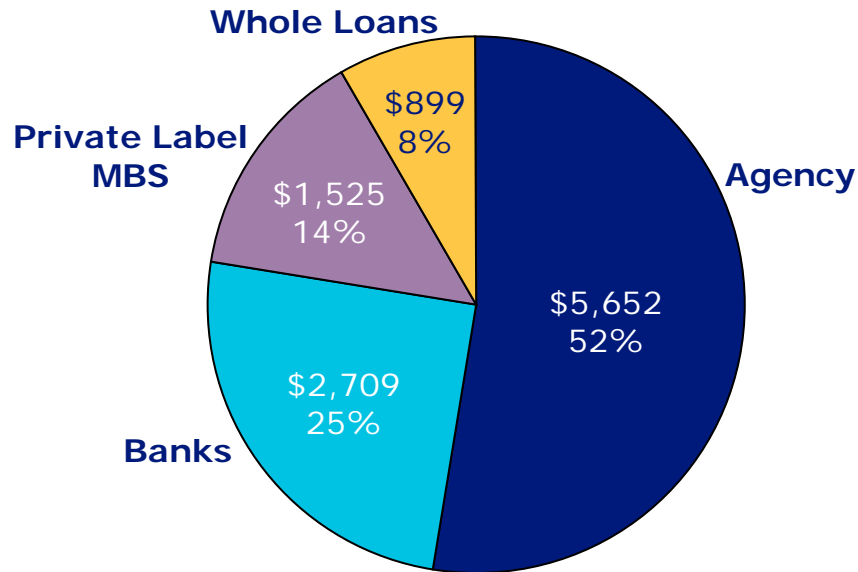
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US Mortgage Market is Massive

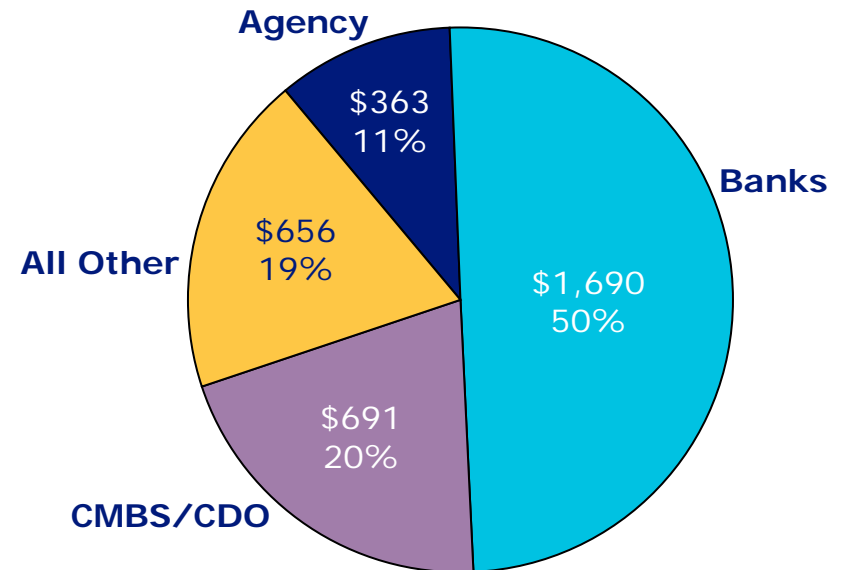
As of December 31, 2009

Single Family



\$10.8 Trillion

Commercial



\$3.4 Trillion

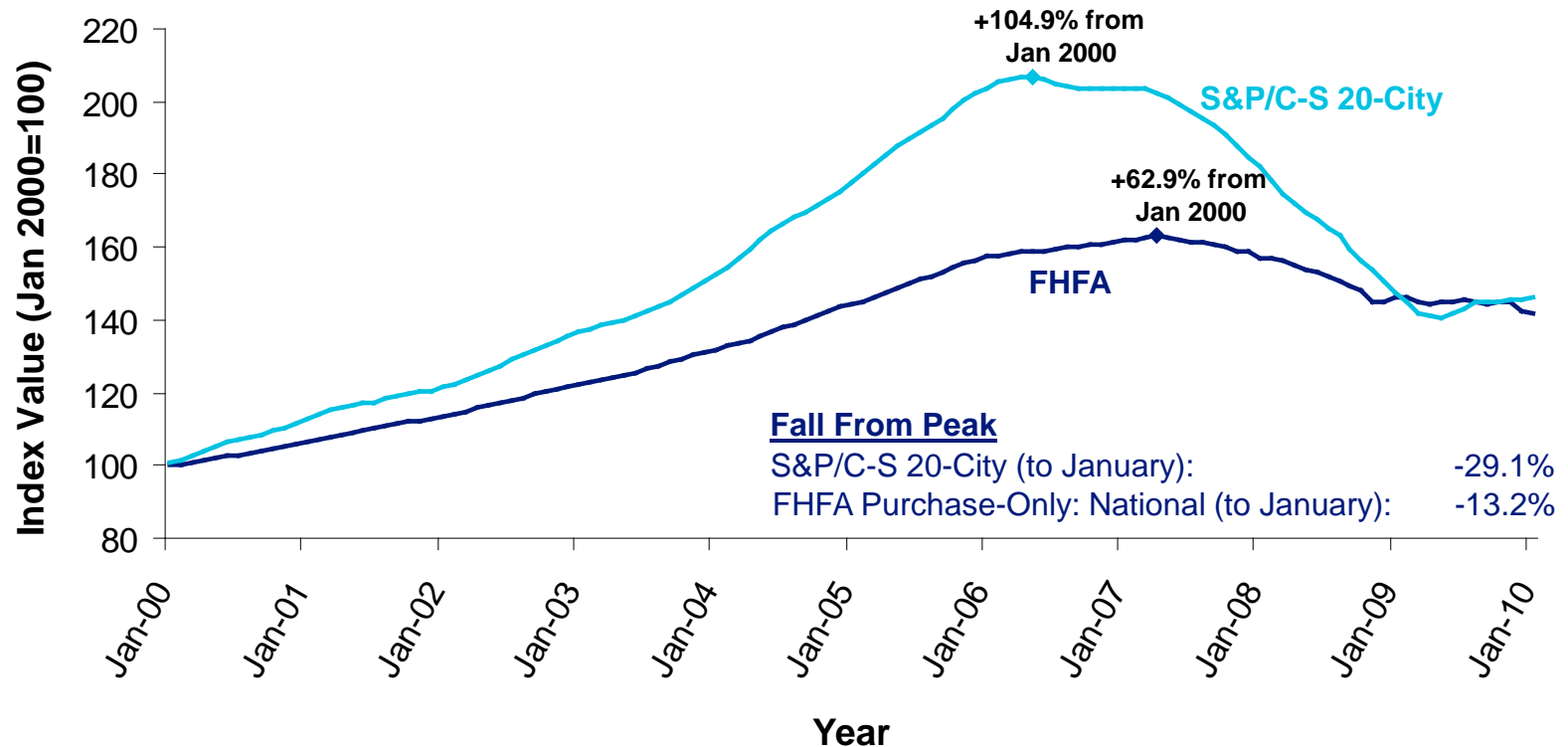
\$14.2 Trillion

Source: Federal Reserve

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Are House Prices Stabilizing?

FHFA & S&P/Case-Shiller House Price Indexes (Seasonally Adjusted)

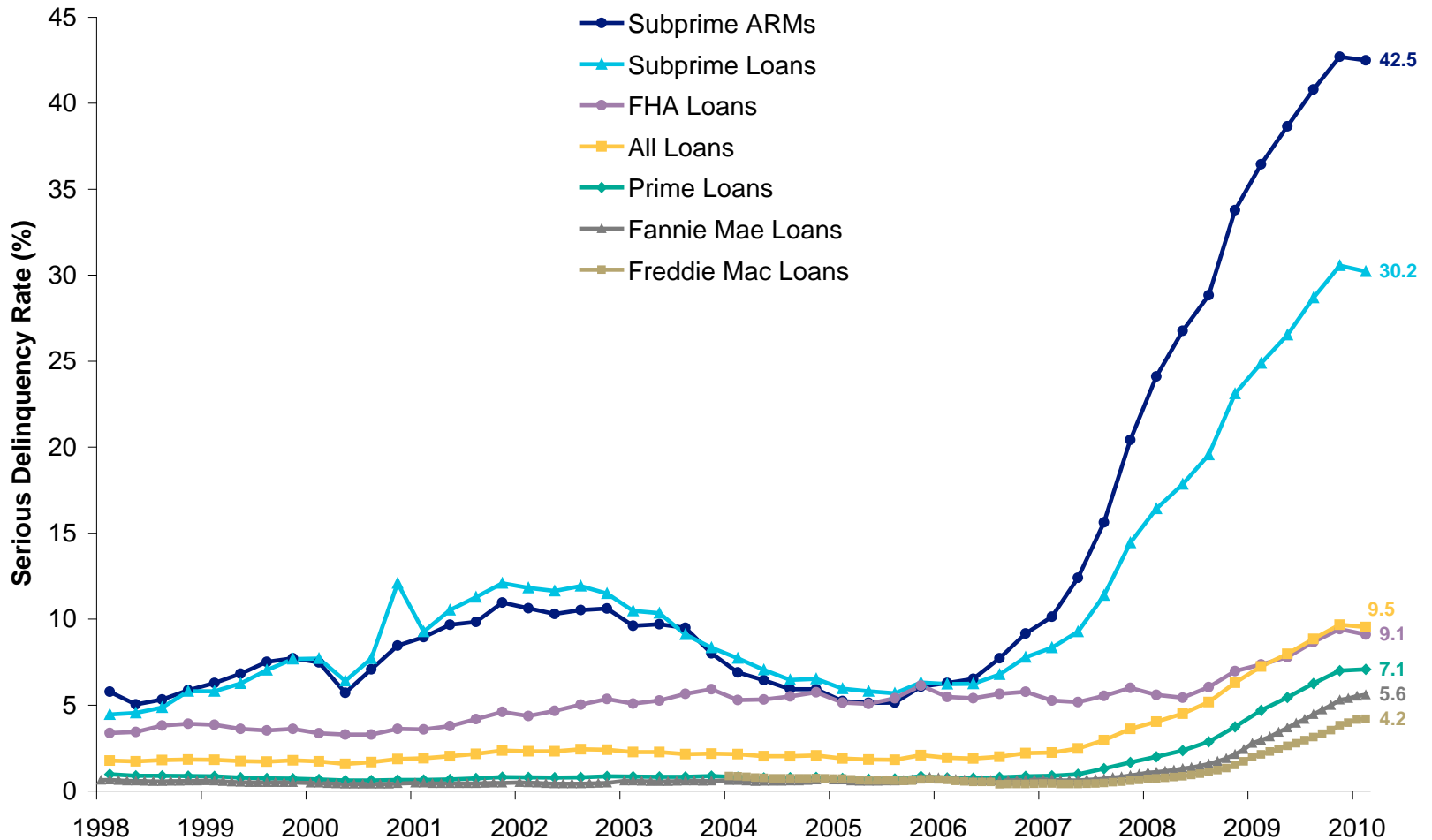


Sources: FHFA, S&P

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Are Serious Delinquencies Starting to Plateau?

Single-Family Mortgages - 2010Q1

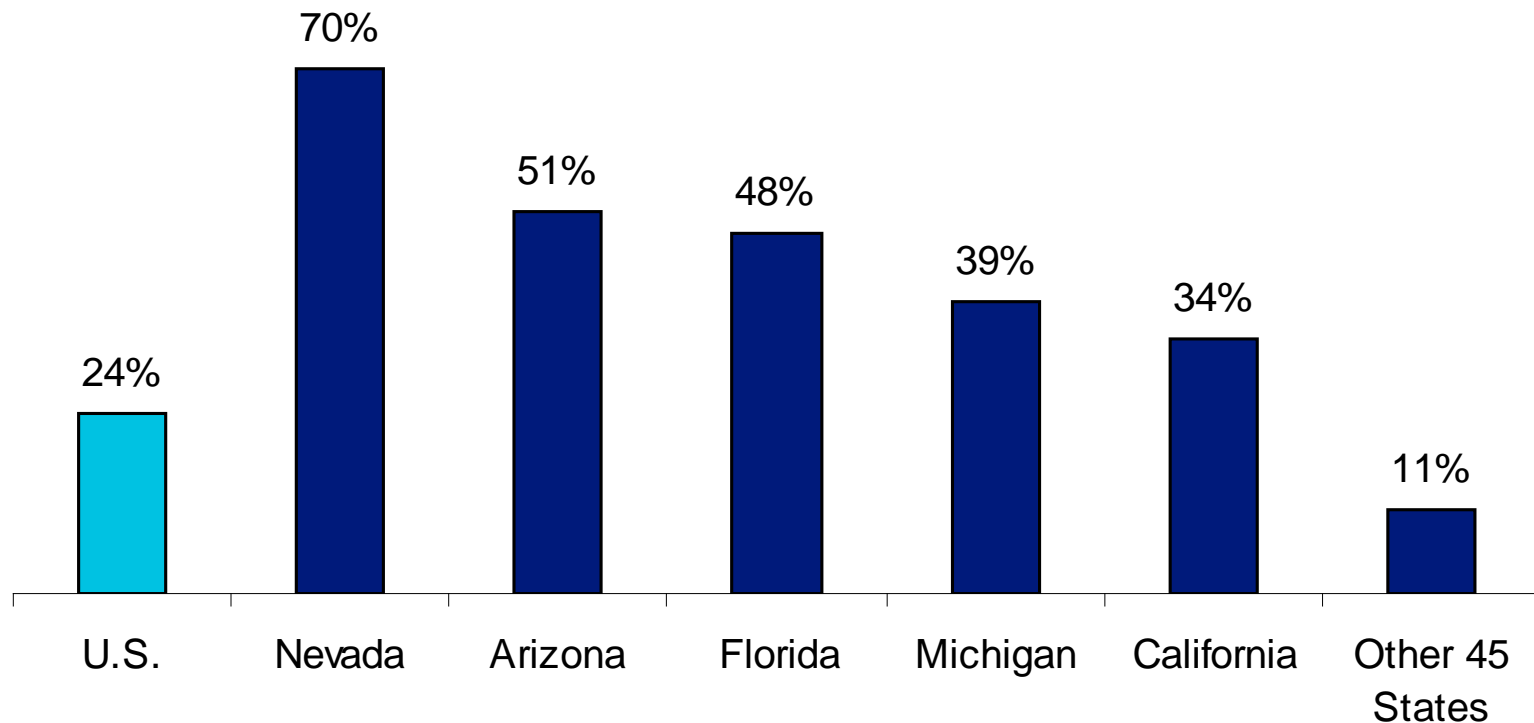


Sources: Mortgage Bankers Association, Fannie Mae, Freddie Mac.

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Underwater Mortgages – A Big Problem

As of March 31, 2010

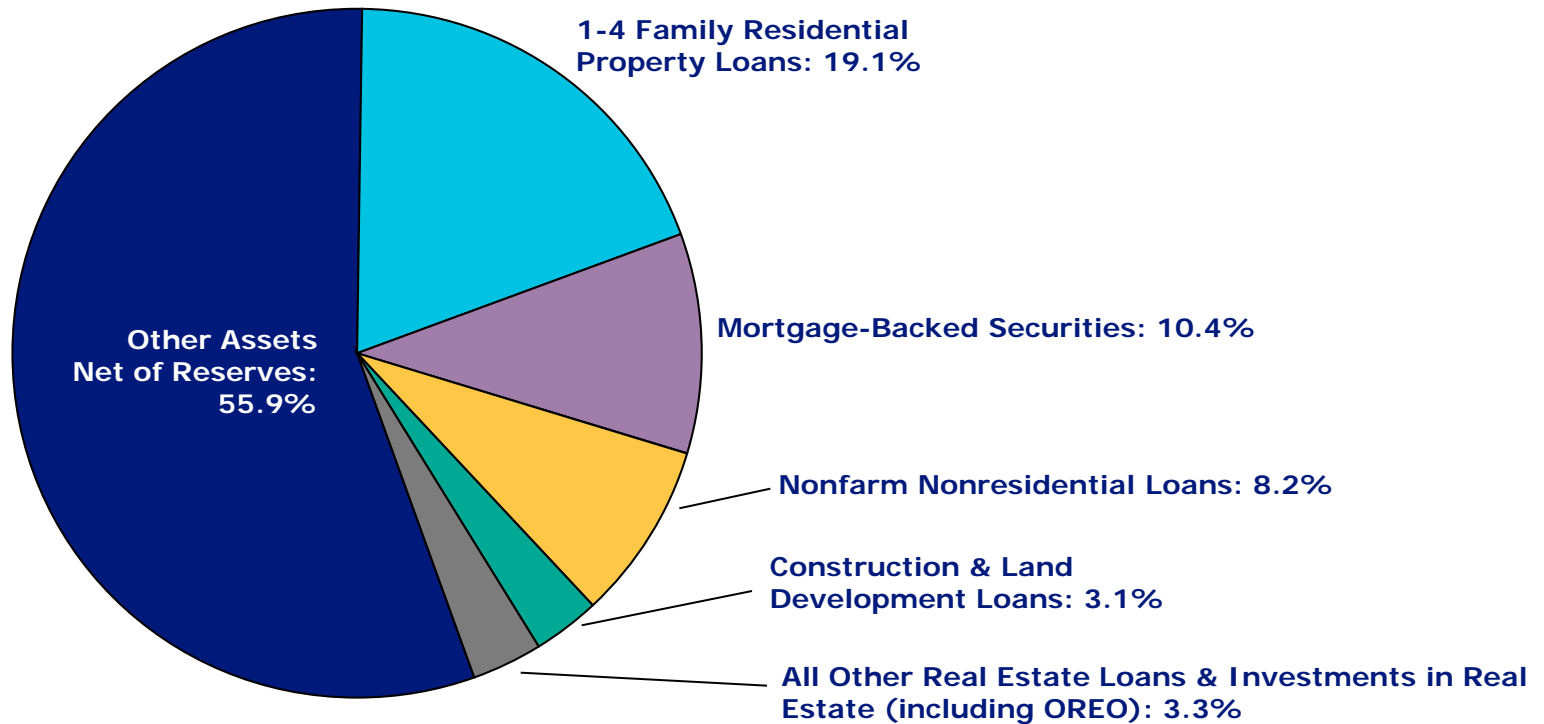


Source: CoreLogic

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Real Estate Bank Assets Represent 44% of Total

Real Estate Assets as a Percent of Total Assets
March 31, 2010



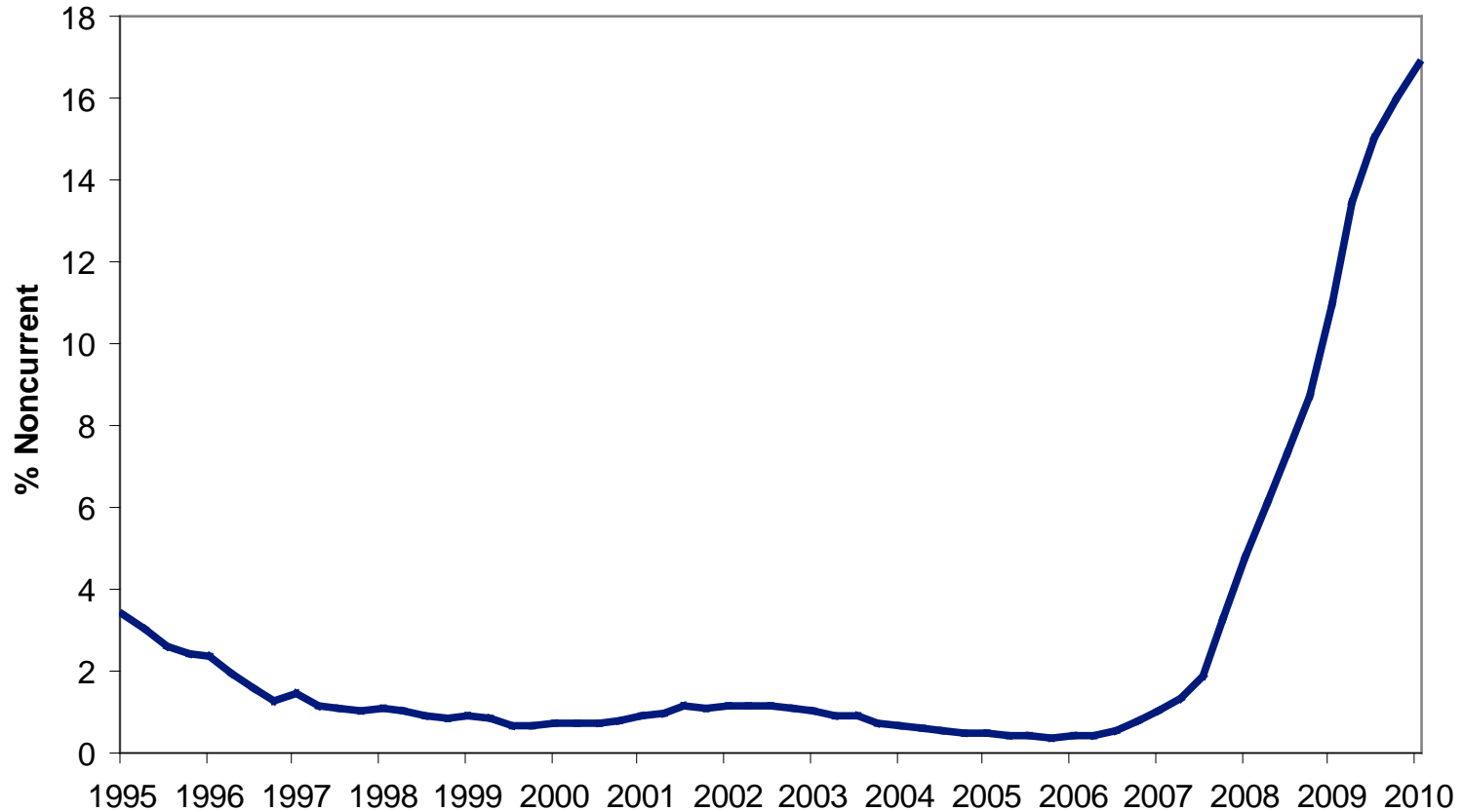
Total Assets of \$13.4 Trillion

Source: FDIC

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Delinquencies on Real Estate Construction and Development Loans Taking Off

1995 - 2010Q1

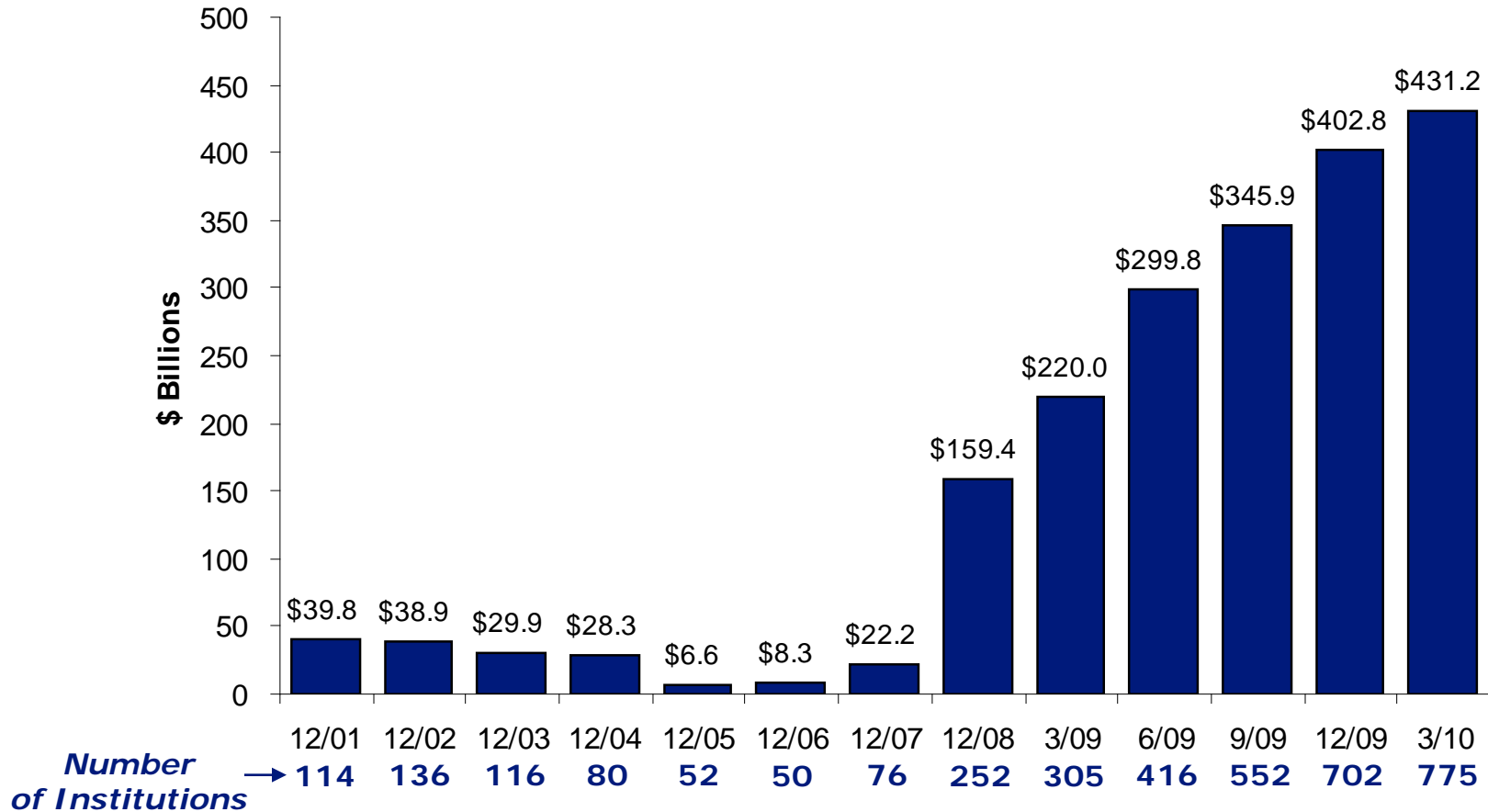


Source: FDIC

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Problem Institutions Have Skyrocketed

Assets of FDIC-Insured Problem Institutions



Source: FDIC

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