

# MBA Economic Forecast

January 12, 2010

	2009				2010				Q4-over-Q4					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2007	2008	2009	2010	2011	2012
<i>Percent Change, Annual Rate</i>														
Real Gross Domestic Product	-6.4	-0.7	2.2	4.5	2.7	2.3	2.7	3.2	2.5	-1.9	-0.2	2.7	4.2	3.9
Personal Consumption Expenditures	0.6	-0.9	2.8	1.7	2.2	1.7	2.3	2.4	2.0	-1.8	1.1	2.2	3.4	3.0
Business Fixed Investment	-39.2	-9.6	-5.9	-5.8	0.2	2.1	5.0	7.6	8.0	-6.0	-16.4	3.7	13.3	10.1
Residential Investment	-38.2	-23.3	18.9	13.4	8.6	17.7	18.2	15.9	-20.2	-21.0	-7.3	15.1	21.3	17.8
Govt. Consumption & Investment	-2.6	6.7	2.6	2.9	1.7	2.4	-0.8	0.2	2.5	3.0	2.4	0.8	-0.9	-0.6
Net Exports (Bil. Chain 2005\$)	-387	-330	-357	-355	-363	-370	-371	-374	-648	-494	-357	-369	-388	-378
Inventory Investment (Bil. Chain 2005\$)	-114	-160	-139	-54	-23	-17	-5	10	19	-26	-117	-8	35	71
Consumer Prices	-2.4	1.3	3.6	3.4	1.4	1.3	1.0	1.7	4.0	1.5	1.5	1.3	1.2	1.2
<i>Percent</i>														
Unemployment Rate	8.1	9.2	9.6	10.1	10.3	10.2	10.0	10.0	4.6	5.8	9.3	10.1	9.4	8.3
Federal Funds Rate	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	5.0	1.9	0.2	0.2	0.6	1.6
10-Year Treasury Bond Rate	2.7	3.3	3.5	3.5	3.9	4.0	4.1	4.2	4.6	3.7	3.3	4.1	4.4	4.8

All data except interest rates are seasonally adjusted.

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

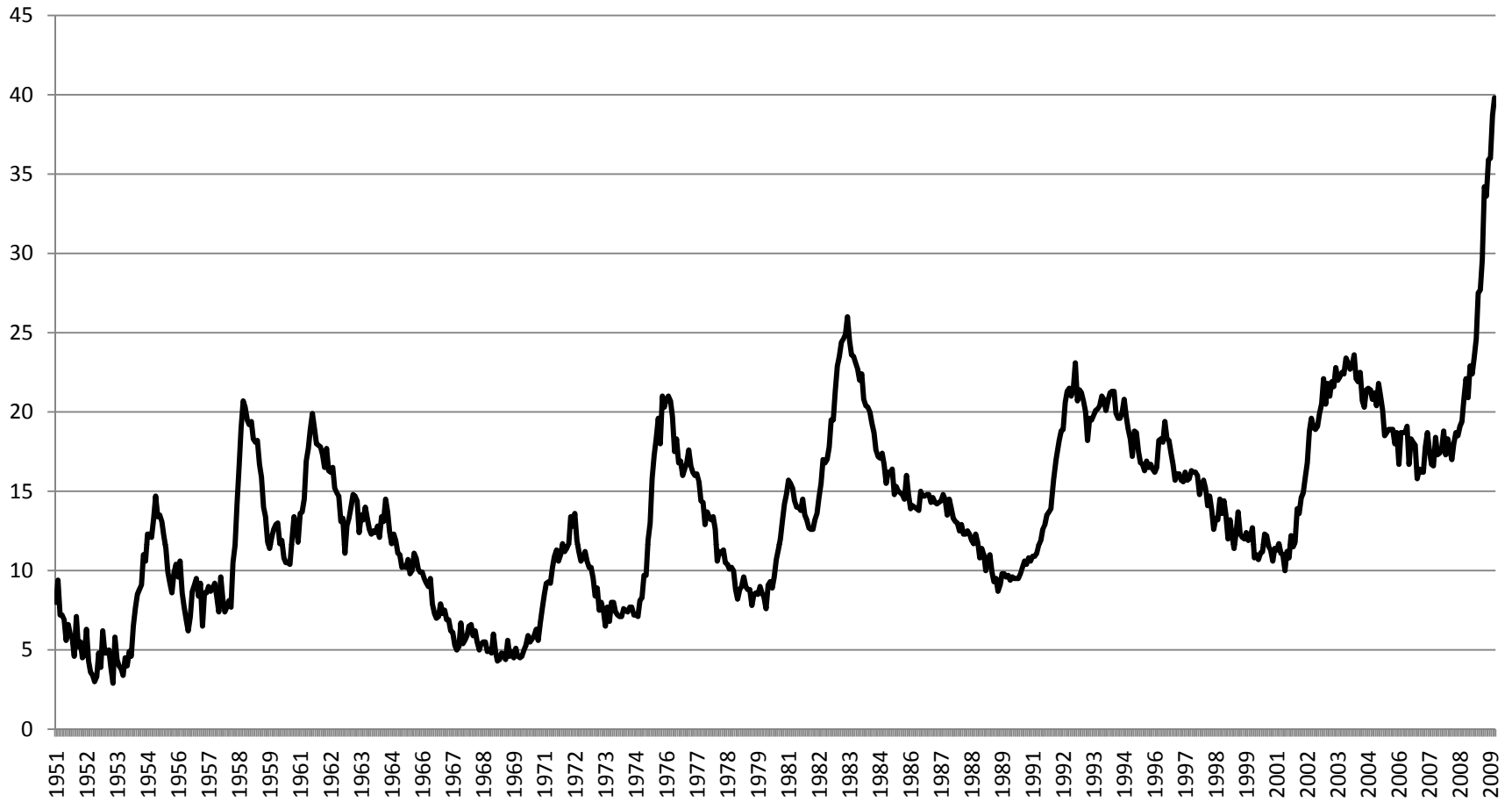
Copyright 2010 Mortgage Bankers Association. All rights reserved.

**THE HISTORICAL DATA AND PROJECTIONS ARE PROVIDED**

**"AS IS" WITH NO WARRANTIES OF ANY KIND.**



## Percent Unemployed Greater than 27 Weeks



Percent of unemployed who have been out of work more than 27 weeks.

Source: Bureau of Labor Statistics

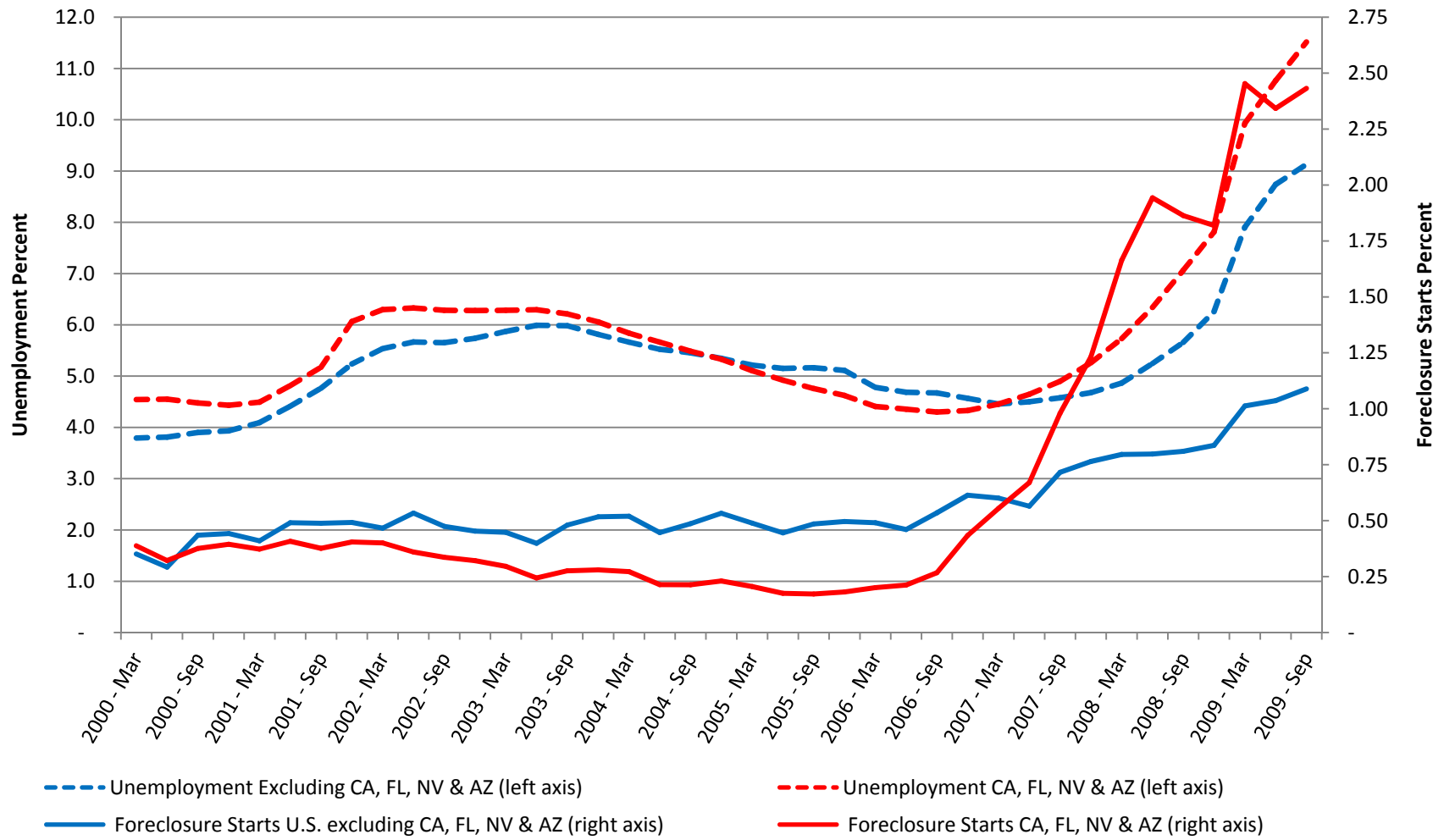
# Weekly Initial Claims for Unemployment Insurance



Source: Bureau of Labor Statistics



## Unemployment and Foreclosures



# MBA Mortgage Finance Forecast

January 12, 2010

	2009				2010									
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2007	2008	2009	2010	2011	2012
<b>Housing Measures (Thous)</b>														
Housing Starts	528	540	587	560	650	720	780	820	1,355	906	554	743	1,025	1,336
Single-Family	358	425	498	480	550	595	630	660	1,046	622	440	609	840	1,086
Two or More	169	115	88	80	100	125	150	160	309	284	113	134	185	250
Home Sales														
Total Existing Homes	4,583	4,757	5,290	6,083	5,403	5,510	5,191	5,407	5,674	4,913	5,178	5,378	5,659	5,794
New Homes	338	372	413	379	412	421	401	413	769	485	376	412	525	679
FHFA US House Price Index (YOY % Change)	-3.4	-4.0	-4.1	-4.1	<b>-3.3</b>	-2.6	-1.6	0.0	0.1	-4.1	-4.1	0.0	2.8	5.0
Median Price of Total Existing Homes (Thous \$)	167.6	174.4	178.3	166.5	163.9	174.7	184.1	169.9	219.0	198.1	171.7	173.2	178.4	189.4
Median Price of New Homes (Thous \$)	207.8	218.7	210.4	209.1	204.7	216.1	215.8	215.6	247.9	231.9	211.5	213.0	217.5	229.9
<b>Interest Rates (%)</b>														
30-Year Fixed Rate Mortgage	5.1	5.0	5.2	4.9	5.4	5.9	6.0	6.1	6.3	6.0	5.0	5.8	6.2	6.5
10-Year Treasury Yield	2.7	3.3	3.5	3.5	3.9	4.0	4.1	4.2	4.6	3.7	3.3	4.1	4.4	4.8
1-Year Treasury ARM	4.9	4.8	4.7	4.7	4.8	4.9	4.9	5.0	5.6	5.2	4.8	4.9	5.5	6.3
1-Year Treasury Yield	0.6	0.5	0.4	0.3	0.5	0.6	0.7	0.8	4.5	1.8	0.4	0.7	1.8	3.3
<b>Mortgage Originations</b>														
Total 1- to 4-Family (Bil \$)	410	627	519	558	312	379	333	254	2,306	1,509	2,113	1,278	1,224	1,398
Purchase	123	201	223	195	147	231	223	175	1,140	731	742	776	841	921
Refinance	287	426	296	363	166	148	110	79	1,166	777	1,372	502	382	477
Refinance Share (%)	70	68	57	65	53	39	33	31	51	52	65	39	31	34

**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.

Copyright 2010 Mortgage Bankers Association. All rights reserved.

**THE HISTORICAL DATA AND PROJECTIONS ARE PROVIDED "AS IS" WITH NO WARRANTIES OF ANY KIND.**

