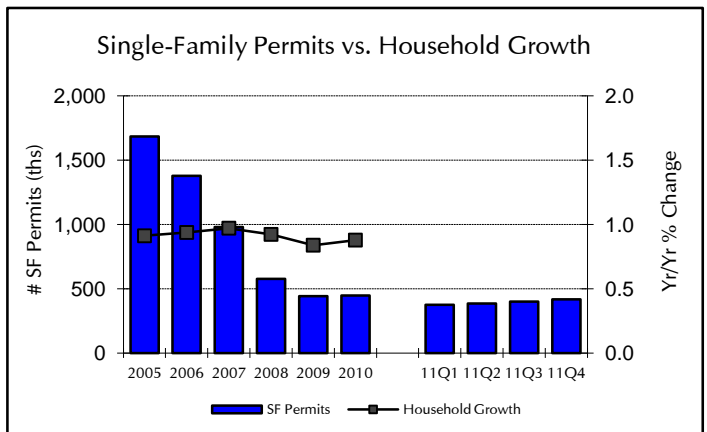
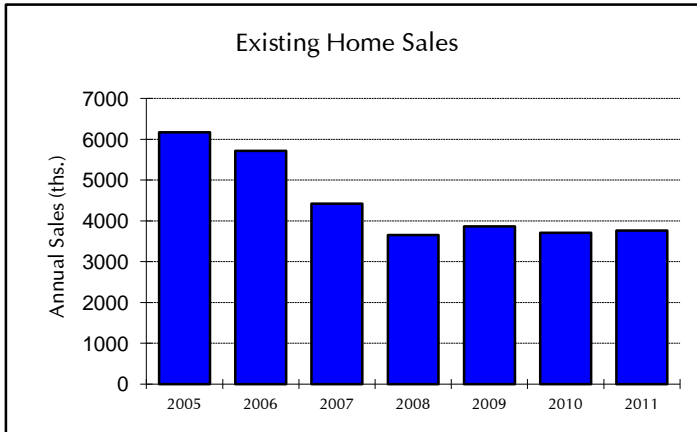
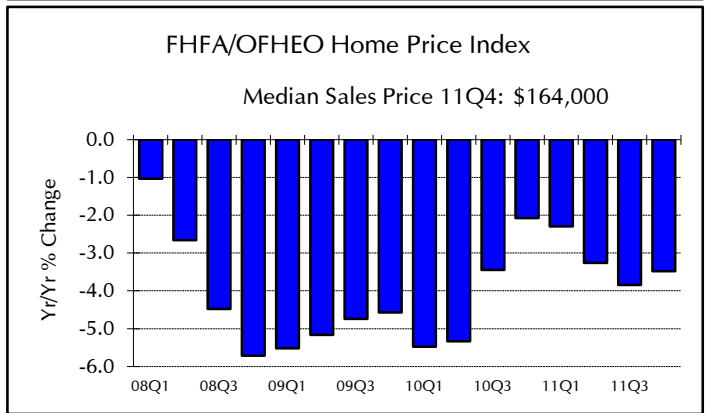
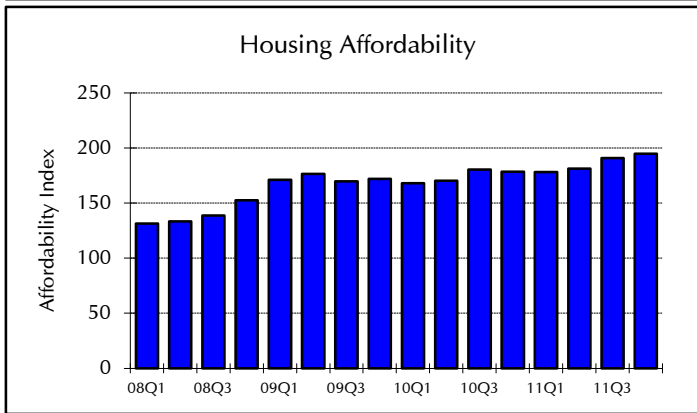
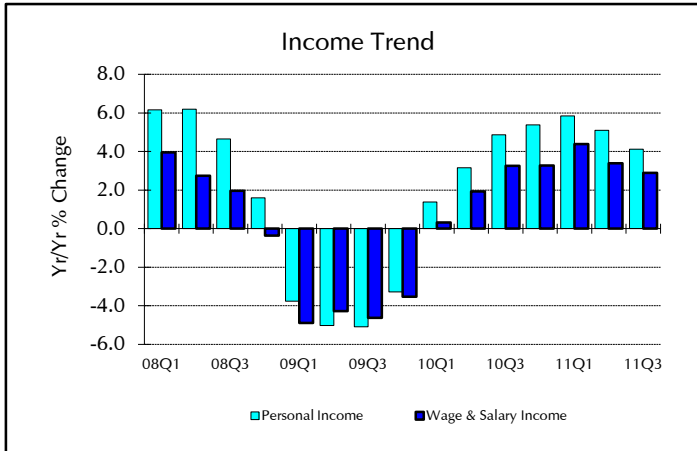


National Overview Economic & Housing Indicators



Housing Market Condition:

Current:
SOFT

Short-Term Projection:
NO CHANGE

Observations: The U.S. economy is improving. During 2011, approximately 152,000 jobs were added per month as the jobless rate dipped to 8.7%. Recent forecasts show that this number could reach 170,000 to 180,000 in 2012. However, cuts in government spending, slower income growth and the housing market may limit these gains. Troubles in the housing market continued as prices are now 34% below their peak. One forecast calls for an additional 4% decline in 2012. Home sales improved slightly with REOs now accounting for 25% of all transactions. The 10-month supply of distressed properties may grow with nearly 11.1 million homeowners with underwater mortgages.