

Housing Forecast: May 2014

	2013				2014				2015				2012	2013	2014	2015
	13.1	13.2	13.3	13.4	14.1	14.2	14.3	14.4	15.1	15.2	15.3	15.4				
Housing Starts and Sales (SAAR, Thous. Units)																
Housing Starts	957	869	882	1,008	923	990	1,065	1,220	1,227	1,260	1,289	1,318	781	925	1,050	1,273
Single-Family (1 Unit)	630	598	596	661	605	650	705	840	875	900	925	950	535	618	700	913
<i>Percent Change: Year-over-Year</i>													24.3%	15.4%	13.4%	30.3%
Multifamily (2+ Units)	328	270	287	347	318	340	360	380	352	360	364	368	245	307	349	361
New Single-Family Home Sales	449	442	388	446	434	420	489	559	579	597	615	633	368	429	476	606
<i>Percent Change: Year-over-Year</i>													20.3%	16.6%	10.9%	27.4%
Total Existing Home Sales (Single-Family, Condos and Co-Ops)	4,943	5,057	5,357	4,937	4,603	4,813	5,194	5,315	5,288	5,184	5,208	5,233	4,660	5,090	4,981	5,228
<i>Percent Change: Year-over-Year</i>													9.4%	9.2%	-2.1%	5.0%
Total Home Sales (New + Existing)	5,392	5,499	5,745	5,383	5,037	5,233	5,684	5,875	5,867	5,781	5,823	5,867	5,028	5,519	5,457	5,834
<i>Percent Change: Year-over-Year</i>													10.1%	9.8%	-1.1%	6.9%
Home Prices (NSA, Thous. \$)																
Median New	258	268	262	272	271	281	274	285	285	294	286	298	245	269	278	291
Median Total Existing	176	203	207	197	192	213	216	206	202	223	225	215	177	197	207	216
FHFA Purchase-Only Index (Percent Change: Quarterly YoY, Annual Q4/Q4)	7.1%	7.6%	8.4%	7.6%	6.1%	4.4%	4.0%	5.0%	5.9%	5.0%	4.6%	4.4%	5.5%	7.6%	5.0%	4.4%
Mortgage Rates (Percent)																
30-Year Fixed Rate Mortgage	3.5	3.7	4.4	4.3	4.4	4.3	4.4	4.5	4.6	4.7	4.8	4.9	3.7	4.0	4.4	4.8
5-Year Adjustable Rate Mortgage	2.6	2.7	3.2	3.0	3.1	3.1	3.2	3.3	3.4	3.6	3.7	3.9	2.8	2.9	3.2	3.6
1-Year Adjustable Rate Mortgage	2.6	2.6	2.7	2.6	2.5	2.4	2.5	2.6	2.7	2.8	3.0	3.1	2.7	2.6	2.5	2.9
Single-Family Mortgage Originations (NSA, Bil. \$, 1-4 Units)																
Mortgage Originations	532	572	450	358	237	322	302	261	237	302	297	263	2,153	1,913	1,122	1,099
Purchase	144	200	214	174	123	197	205	184	161	232	229	201	613	732	710	822
Refinance	388	372	236	185	114	124	97	77	76	70	68	62	1,540	1,181	412	277
Refinance Share (%)	73%	65%	52%	52%	48%	39%	32%	30%	32%	23%	23%	24%	72%	62%	37%	25%
Liquidations	562	582	411	357	239	294	277	246	227	266	255	239	2,325	1,912	1,055	987
Mortgage Debt Outstanding (NSA, Bil. \$)																
MDO Single-Family First Lien (1-4 Units)	9,129	9,119	9,158	9,160	9,157	9,185	9,210	9,226	9,236	9,272	9,314	9,338	9,158	9,160	9,226	9,338
<i>Percent Change: Quarterly Annualized Rate, Annual Q4/Q4</i>	-1.3%	-0.4%	1.7%	0.1%	-0.1%	1.2%	1.1%	0.7%	0.4%	1.6%	1.8%	1.0%	-1.8%	0.0%	0.7%	1.2%
MDO Total Single-Family (1-4 Units)	9,877	9,850	9,873	9,863	9,855	9,880	9,902	9,914	9,923	9,960	10,003	10,027	9,928	9,863	9,914	10,027
<i>Percent Change: Quarterly Annualized Rate, Annual Q4/Q4</i>	-2.0%	-1.1%	1.0%	-0.4%	-0.3%	1.0%	0.9%	0.5%	0.4%	1.5%	1.7%	1.0%	-2.5%	-0.7%	0.5%	1.1%
Adjustable Rate Mortgage Share of Conventional Mortgage Applications (%)	5%	6%	7%	8%	9%	10%	11%	13%	13%	15%	17%	18%	5%	7%	11%	16%

May 12, 2014

Note: Interest rate forecasts are based on rates from April 30, 2014.

Note: All mortgage originations data are Fannie Mae estimates as there is no universal source for market-wide originations data.

Note: Unshaded areas denote actuals. Shaded areas denote forecasts.

Sources: Actuals: Census Bureau, National Association of REALTORS®, Federal Housing Finance Agency, Freddie Mac, Federal Reserve Board. Forecasts: Fannie Mae Economic & Strategic Research

Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economic & Strategic Research (ESR) group included in these materials should not be construed as indicating

Fannie Mae's business prospects or expected results, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend

on many factors. Although the ESR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided

in these materials is accurate, current or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results.

The analyses, opinions, estimates, forecasts, and other views published by the ESR group represent the views of that group as of the date indicated and do not necessarily represent the views

of Fannie Mae or its management.