

Housing Forecast: January 2011

| | 2009 | | | | 2010 | | | | 2011 | | | | 2012 | | | | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 09.1 | 09.2 | 09.3 | 09.4 | 10.1 | 10.2 | 10.3 | 10.4 | 11.1 | 11.2 | 11.3 | 11.4 | 12.1 | 12.2 | 12.3 | 12.4 | | | | | |
| Housing Starts and Sales (saar, Thous) | | | | | | | | | | | | | | | | | | | | | |
| Housing Starts | 530 | 537 | 586 | 565 | 617 | 602 | 588 | 554 | 610 | 670 | 746 | 812 | 891 | 995 | 1,110 | 1,213 | 554 | 590 | 710 | 1,052 | 1,465 |
| Single-Family (1 unit) | 362 | 423 | 496 | 488 | 524 | 491 | 435 | 456 | 478 | 528 | 590 | 640 | 696 | 775 | 870 | 953 | 445 | 477 | 559 | 824 | 1,165 |
| percent change | | | | | | | | | | | | | | | | | -28.5% | 7.1% | 17.3% | 47.3% | 41.5% |
| Multifamily (2+ units) | 168 | 114 | 90 | 76 | 93 | 111 | 153 | 98 | 132 | 142 | 156 | 172 | 195 | 220 | 240 | 260 | 109 | 114 | 151 | 229 | 300 |
| New Home Sales | 353 | 368 | 401 | 373 | 360 | 335 | 288 | 290 | 317 | 352 | 395 | 430 | 468 | 524 | 590 | 648 | 374 | 318 | 374 | 558 | 795 |
| percent change | | | | | | | | | | | | | | | | | -22.9% | -14.9% | 17.4% | 49.3% | 42.5% |
| Total Existing Home Sales | 4,610 | 4,780 | 5,280 | 5,970 | 5,140 | 5,570 | 4,163 | 4,652 | 4,792 | 4,835 | 5,235 | 5,375 | 5,419 | 5,509 | 5,592 | 5,698 | 5,156 | 4,881 | 5,059 | 5,555 | 5,731 |
| percent change | | | | | | | | | | | | | | | | | 4.9% | -5.3% | 3.6% | 9.8% | 3.2% |
| Total Home Sales (new + existing) | 4,963 | 5,148 | 5,681 | 6,343 | 5,500 | 5,905 | 4,451 | 4,941 | 5,109 | 5,187 | 5,630 | 5,805 | 5,887 | 6,033 | 6,182 | 6,346 | 5,530 | 5,199 | 5,433 | 6,112 | 6,525 |
| percent change | | | | | | | | | | | | | | | | | 2.4% | -6.0% | 4.5% | 12.5% | 6.8% |
| Home Prices (NSA, thous. \$) | | | | | | | | | | | | | | | | | | | | | |
| Median New | 207.8 | 218.7 | 212.6 | 218.8 | 221.6 | 219.4 | 222.7 | 212.8 | 217.6 | 211.4 | 218.0 | 211.1 | 217.8 | 213.6 | 221.6 | 216.0 | 215.6 | 219.1 | 214.5 | 217.2 | 228.0 |
| Median Total Existing | 167.6 | 174.4 | 178.1 | 170.8 | 166.4 | 176.6 | 177.0 | 166.1 | 163.3 | 170.2 | 173.3 | 164.8 | 163.5 | 171.9 | 176.2 | 168.6 | 172.5 | 171.5 | 167.9 | 170.0 | 178.5 |
| FHFA Index (YOY % change Purchase Only) | -7.1% | -5.9% | -3.9% | -1.5% | -3.2% | -1.7% | -3.1% | -1.0% | -0.1% | -1.4% | 0.4% | 0.0% | 1.7% | 1.7% | 2.2% | 2.9% | -1.5% | -1.0% | 0.0% | 2.9% | 5.5% |
| Interest Rates, Percent | | | | | | | | | | | | | | | | | | | | | |
| Yield on 10-yr Treasury Notes (%) | 2.74 | 3.31 | 3.52 | 3.46 | 3.7 | 3.5 | 2.8 | 2.9 | 3.3 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 | 4.0 | 4.1 | 3.3 | 3.2 | 3.5 | 4.0 | 4.3 |
| 30-year fixed mortgage rate (%) | 5.06 | 5.03 | 5.16 | 4.92 | 5.0 | 4.9 | 4.4 | 4.4 | 4.9 | 5.1 | 5.2 | 5.3 | 5.4 | 5.5 | 5.6 | 5.7 | 5.0 | 4.7 | 5.1 | 5.5 | 5.8 |
| 1-year mortgage rate (%) | 4.88 | 4.83 | 4.72 | 4.43 | 4.3 | 4.0 | 3.6 | 3.3 | 3.5 | 3.6 | 3.8 | 3.9 | 4.0 | 4.1 | 4.2 | 4.3 | 4.7 | 3.8 | 3.7 | 4.2 | 4.6 |
| Originations (NSA, bil. \$) | | | | | | | | | | | | | | | | | | | | | |
| Mortgage Originations | 475 | 596 | 425 | 421 | 303 | 349 | 426 | 448 | 264 | 260 | 276 | 236 | 224 | 306 | 321 | 285 | 1,917 | 1,526 | 1,035 | 1,137 | 1,408 |
| Purchase | 109 | 157 | 162 | 161 | 105 | 174 | 130 | 119 | 107 | 178 | 197 | 168 | 157 | 242 | 258 | 222 | 589 | 528 | 650 | 878 | 1,058 |
| Refi | 366 | 439 | 263 | 260 | 197 | 175 | 296 | 330 | 156 | 82 | 79 | 68 | 67 | 65 | 64 | 63 | 1,328 | 998 | 385 | 259 | 350 |
| Refi Share (%) | 77% | 74% | 62% | 62% | 65% | 50% | 69% | 73% | 59% | 31% | 29% | 29% | 30% | 21% | 20% | 22% | 69% | 65% | 37% | 23% | 25% |
| Liquidations | 463 | 626 | 490 | 467 | 397 | 394 | 479 | 482 | 384 | 334 | 306 | 275 | 258 | 282 | 284 | 258 | 2,045 | 1,752 | 1,299 | 1,081 | 1,199 |
| Mortgage Debt Outstanding (NSA, bil. \$) | | | | | | | | | | | | | | | | | | | | | |
| MDO Single-Family First Lien | 9,969 | 9,939 | 9,875 | 9,829 | 9,735 | 9,689 | 9,637 | 9,603 | 9,483 | 9,409 | 9,379 | 9,339 | 9,304 | 9,329 | 9,367 | 9,394 | 9,829 | 9,603 | 9,339 | 9,394 | 9,604 |
| % Change | 0.5% | -1.2% | -2.6% | -1.9% | -3.8% | -1.9% | -2.2% | -1.4% | -4.9% | -3.1% | -1.3% | -1.7% | -1.5% | 1.1% | 1.6% | 1.2% | -1.3% | -2.3% | -2.7% | 0.6% | 2.2% |
| MDO Total Single-Family | 11,066 | 11,014 | 10,926 | 10,861 | 10,748 | 10,685 | 10,612 | 10,575 | 10,443 | 10,361 | 10,328 | 10,284 | 10,246 | 10,274 | 10,315 | 10,345 | 10,861 | 10,575 | 10,284 | 10,345 | 10,576 |
| % Change | -0.2% | -1.9% | -3.1% | -2.4% | -4.1% | -2.3% | -2.7% | -1.4% | -4.9% | -3.1% | -1.3% | -1.7% | -1.5% | 1.1% | 1.6% | 1.2% | -1.9% | -2.6% | -2.7% | 0.6% | 2.2% |
| ARM Share of Applications (% of conv#) | 2.5% | 2.9% | 6.3% | 5.5% | 4.9% | 6.0% | 6% | 5% | 8% | 12% | 13% | 14% | 15% | 17% | 18% | 18% | 4% | 5% | 12% | 17% | 16% |

January 10, 2011

Notes: Interest rate forecasts are based on rates from December 31, 2010.

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

Source: Actuals: Census, Bureau of Labor Statistics, Federal Reserve, Mortgage Bankers Association, National Association of REALTORS®, FHFA; Forecasts: Fannie Mae Economics and Mortgage Market Analysis

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