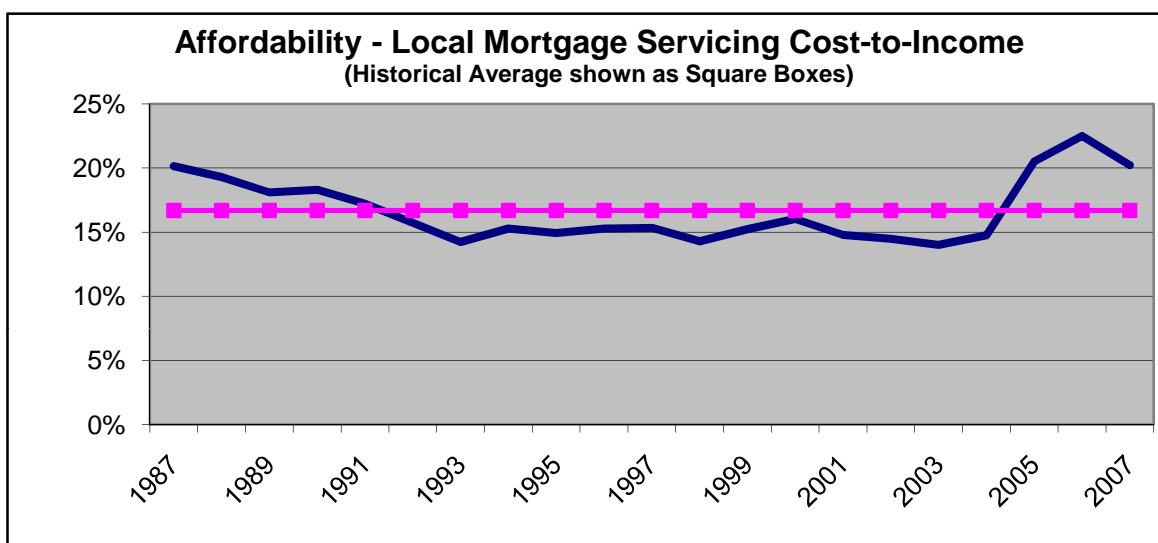
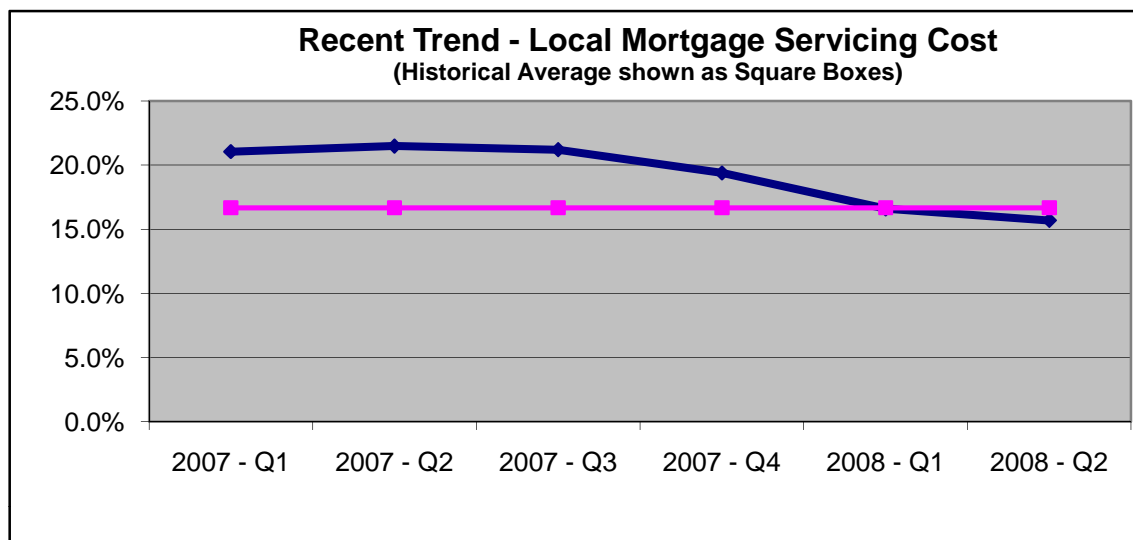


Local Economic Outlook	Phoenix	U.S.	
1-year Job Additions (2008 July)	-32,500	Not Comparable	Soft for this market
3-year Job Additions (2008 July)	77,800	Not Comparable	Weaker than local average
State Economic Activity Index	Arizona	U.S.	
12-month change (2008 July)	-1.9%	1.0%	Weak compared with nation
36-month change (2008 July)	6.6%	7.4%	Respectable relative to the nation

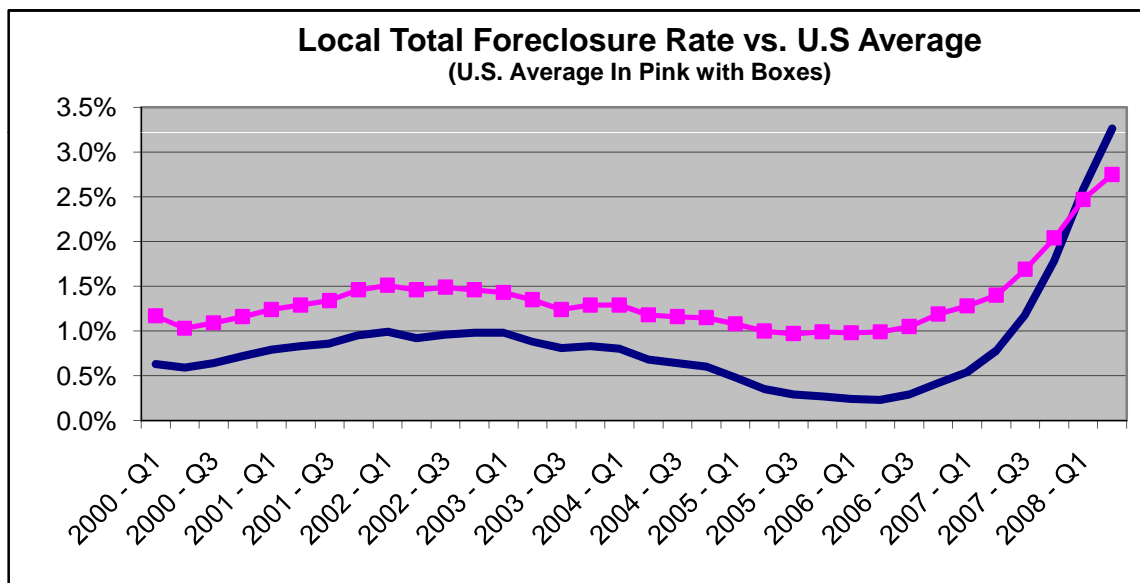
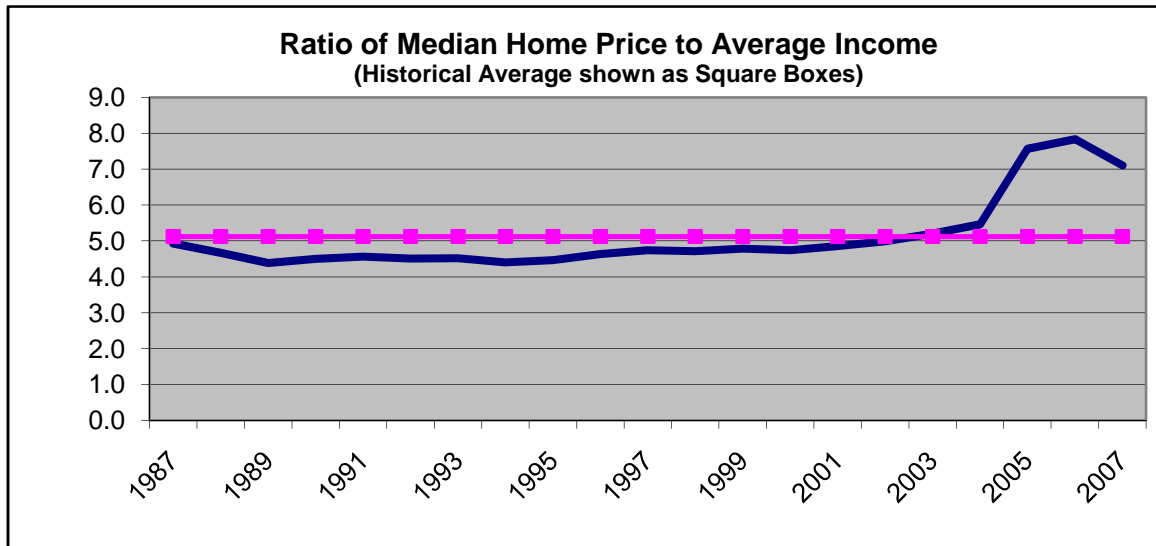
Local Demand Fundamentals	Phoenix	U.S.	
1-year Job Growth Rate	-1.7%	-0.1%	Weak compared to other markets
3-year Job Growth Rate	4.4%	2.7%	Stronger than most metro areas
1-year Job Gain to New Single-Family Homes	-1.4	-0.1	Weak compared to the national average
3-year Job Gain to New Single-Family Homes	0.7	0.7	Comparable to the nation



Monthly Mortgage Payment to Income	Phoenix	U.S.	
Ratio for all of 2007	20.2%	22.4%	Weak affordability
Ratio for Q2 2008	15.7%	20.8%	Improving and historically strong
Historical Local Average	16.7%	22.8%	Good relative to the nation



Median Home Price to Income	Phoenix	U.S.	
Ratio for 2007	7.1	7.9	Weak Relative to Local History
Historical Local Average	5.1	7.2	Good Compared to Nation Average



Monthly Market	Arizona	U.S.	
State Foreclosure Rate (2008 Q2)	3.3%	2.8%	Worrisome Local Increase
State Foreclosure Rate (2007 Q2)	0.8%	1.4%	Strong Compared to the Nation
State: Total Foreclosure Volume	39,846	Not Comparable	
State: Total Mortgages Serviced	1,222,279	Not Comparable	
State Prime Foreclosure Rate (2008 Q2)	1.7%	1.4%	Worrisome for this state
State Subprime Foreclosure Rate (2008 Q2)	17.4%	19.4%	Worrisome relative to local history

30-year Fixed Mortgage Rate

