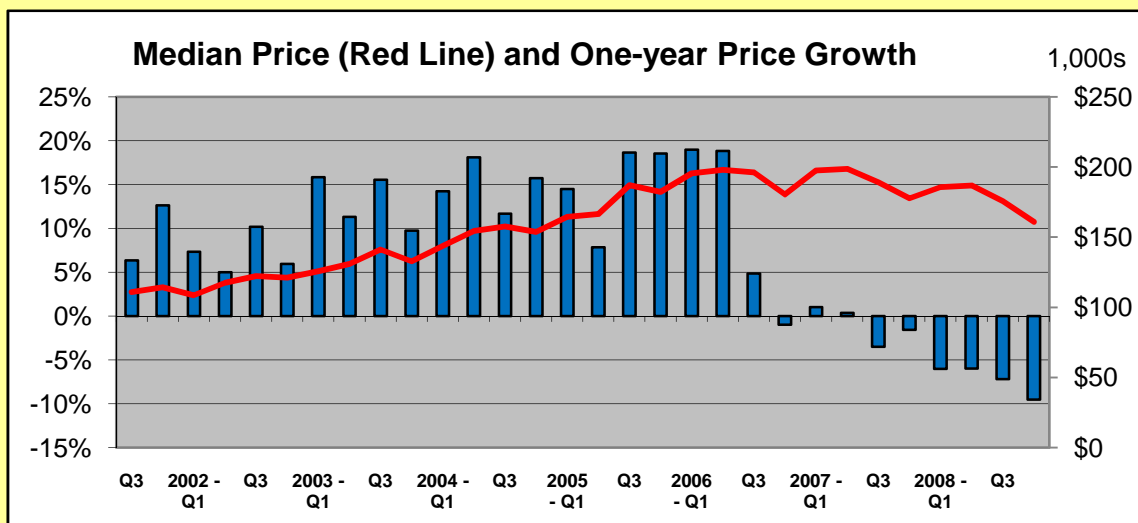


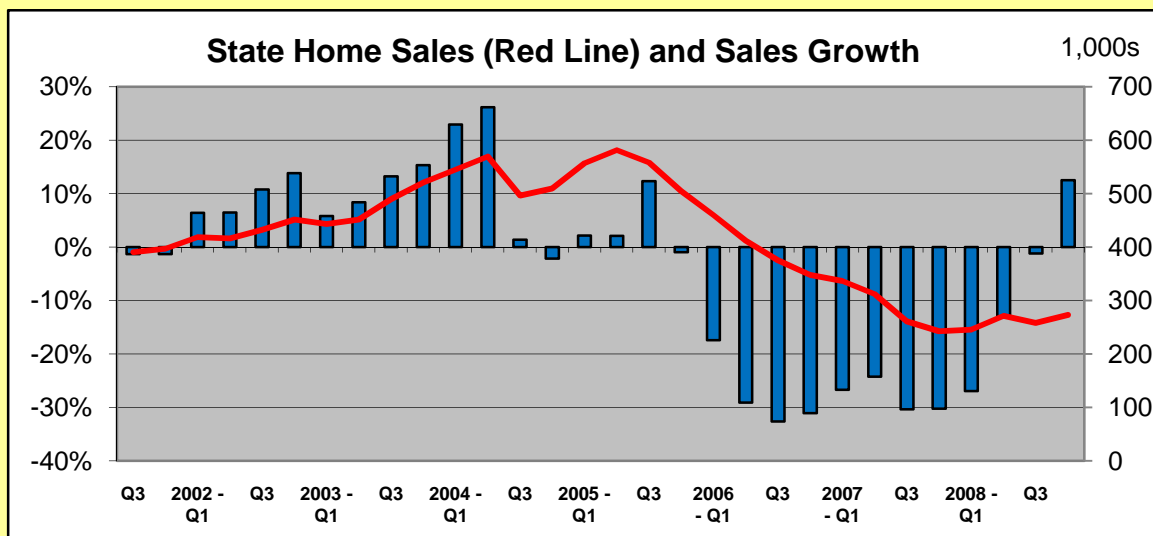


Jacksonville Area Metro Market Report, Fourth Quarter 2008

Today's Market...



| | Jacksonville | U.S. | Local Trend |
|---|--------------|-----------|--------------------------|
| Price Activity | | | |
| Current Median Home Price (2008 - Q4) | \$160,700 | \$180,800 | |
| 1-year Appreciation (2008 - Q4) | -9.5% | -7.0% | Weak for this metro area |
| 3-year Appreciation (2008 - Q4) | -11.8% | -19.8% | Weak for this market |
| 3-year (12-quarter) Housing Equity Gain | -\$21,500 | -\$44,567 | |
| 7-year (28 q) Housing Equity Gain | \$6,200 | -\$13,167 | |
| 9-year (36 q) Housing Equity Gain | \$43,200 | \$16,967 | |



| Home Sales and Construction Growth | Florida | U.S. | |
|------------------------------------|---------|--------|--------|
| *State Existing Home Sales (Q4) | 12.5% | -16.4% | Stable |

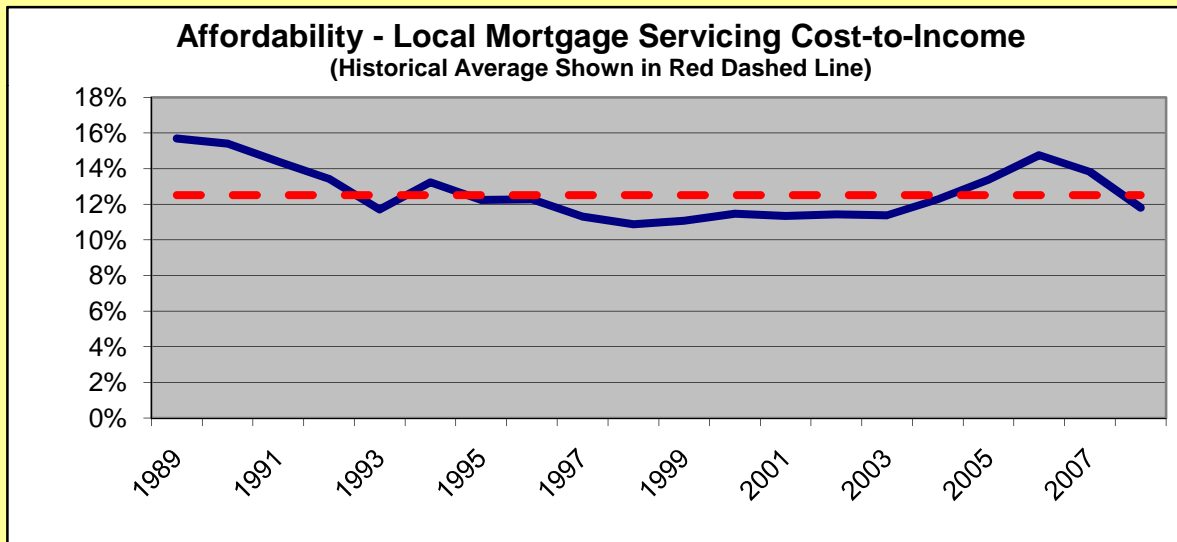
*versus same quarter, year-ago

Local Supply and Demand...

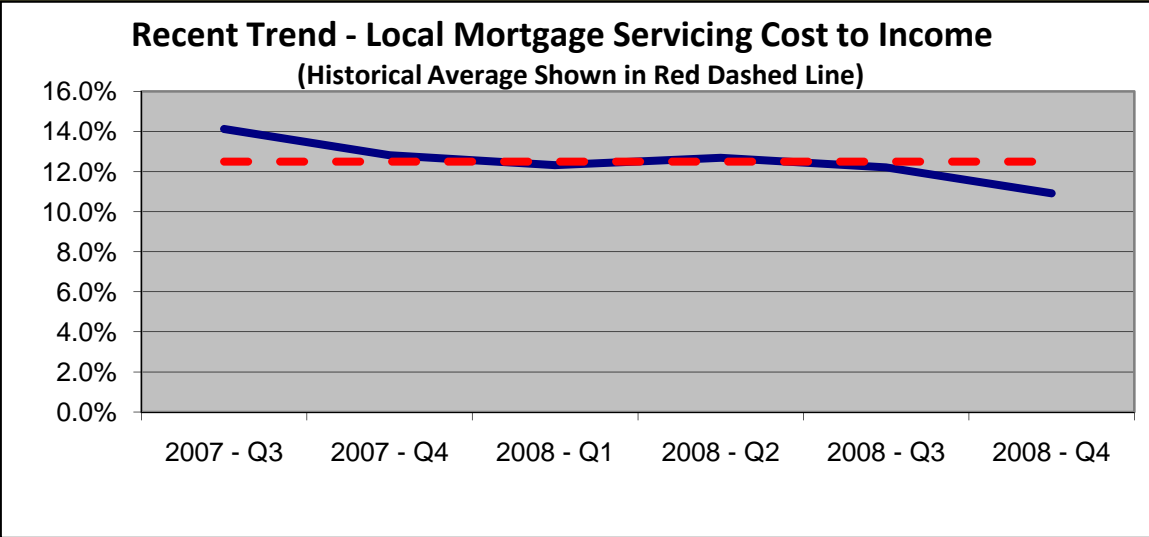
| Local Economic Outlook | Jacksonville | U.S. | |
|-----------------------------------|--------------|----------------|-----------------------------|
| 1-year Job Additions (2008 - Dec) | -15,400 | Not Comparable | Soft for this market |
| 3-year Job Additions (2008 - Dec) | 900 | Not Comparable | Weaker than local average |
| State Economic Activity Index | Florida | U.S. | |
| 12-month change (2008 - Dec) | -3.9% | -0.9% | Weak compared with nation |
| 36-month change (2008 - Dec) | -1.4% | 4.5% | Weak relative to the nation |

| Local Fundamentals | Jacksonville | U.S. | |
|---|--------------|--------|---------------------------------------|
| 1-year (12 month) Job Growth Rate | -2.4% | -0.4% | Weak compared to other markets |
| 3-year (36 month) Job Growth Rate | 0.1% | 2.5% | Weaker than most metro areas |
| 1-year Job Gain to New Single-Family Homes | -2.2 | 0.0 | Weak compared to the national average |
| 3-year Job Gain to New Single-Family Homes | 0.0 | 13.9 | Weak compared to the nation |
| ** Single-Family Housing Permits (2008 - Dec) | -31.0% | -41.3% | Respectable supply reduction |

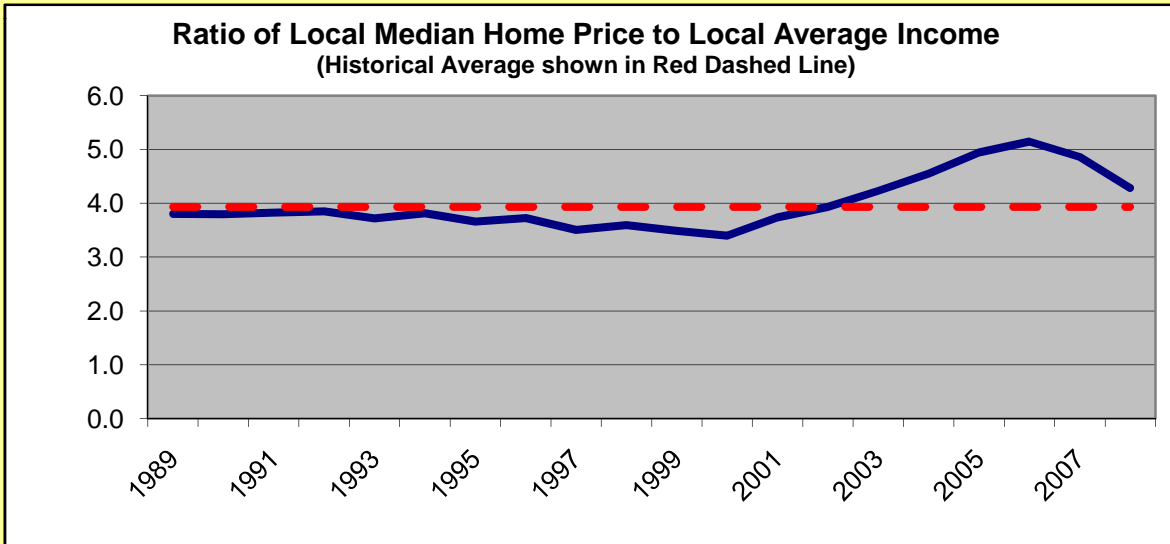
**Rolling 12-month sum vs. a year ago



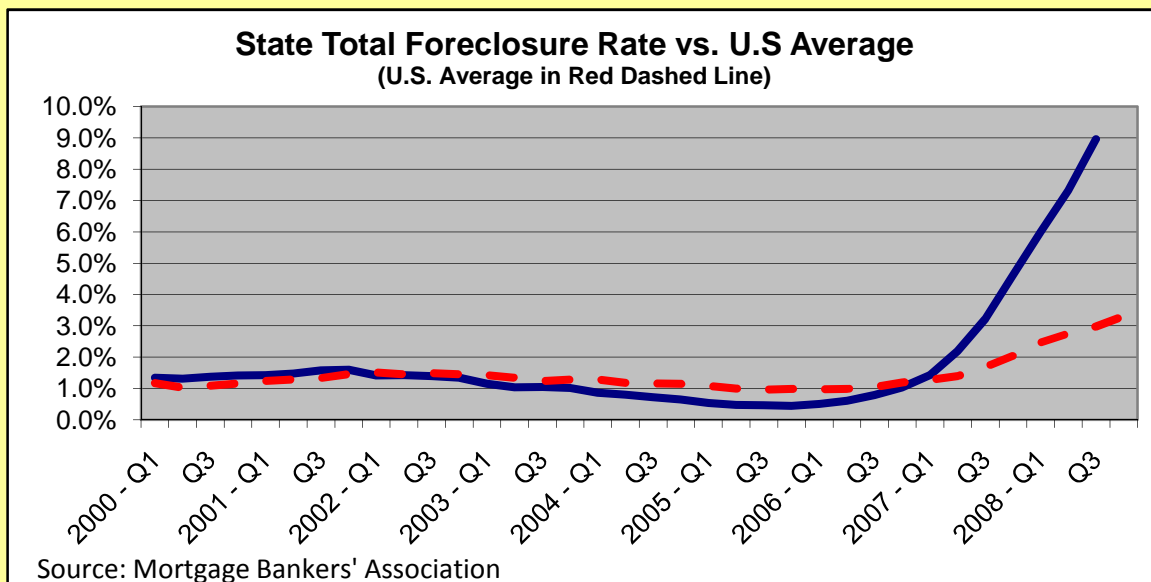
| Monthly Mortgage Payment to Income | Jacksonville | U.S. | |
|------------------------------------|--------------|-------|-----------------------------------|
| Ratio for all of 2008 | 12.8% | 21.4% | Weak affordability |
| Ratio for 2008 - Q4 | 10.9% | 20.6% | Improving and historically strong |
| Historical Local Average | 12.5% | 23.2% | Good relative to the nation |



| Median Home Price to Income | Jacksonville | U.S. | |
|-----------------------------|--------------|------|---------------------------------|
| Ratio for 2008 | 4.5 | 7.4 | Weak Relative to Local History |
| Historical Local Average | 3.9 | 7.2 | Good Compared to Nation Average |



Looking Deeper....



| Monthly Market Data - October 2008 | Jacksonville | U.S. | |
|--|--------------|-------|---|
| PRIME Market Share | 80.7% | 84.2% | Higher subprime exposure than average |
| SUBPRIME and Alt-A Market Share | 19.3% | 15.8% | Worrisome |
| TOTAL Foreclosure + REO Rate | 1.9% | 1.2% | There has been a large local increase versus a year ago |
| TOTAL Foreclosure + REO Rate (same period, 1-year earlier) | 0.5% | 0.5% | The current local rate is high compared with the current U.S. average |
| SUBPRIME Foreclosure + REO Rate | 15.2% | 14.0% | There has been a large local increase versus a year ago |
| SUBPRIME Foreclosure + REO Rate (same period, 1-year earlier) | 6.3% | 7.2% | Locally, today's foreclosure rate is low relative to the national average |
| ALT-A Foreclosure + REO Rate | 9.7% | 9.0% | A large local increase occurred compared to a year ago |
| ALT-A Foreclosure + REO Rate (same period, 1-year earlier) | 2.2% | 2.5% | The current local rate is high compared with the up-to-date U.S. average |

Monthly Foreclosure data provided by First American CoreLogic, LoanPerformance data

The Mortgage Market

