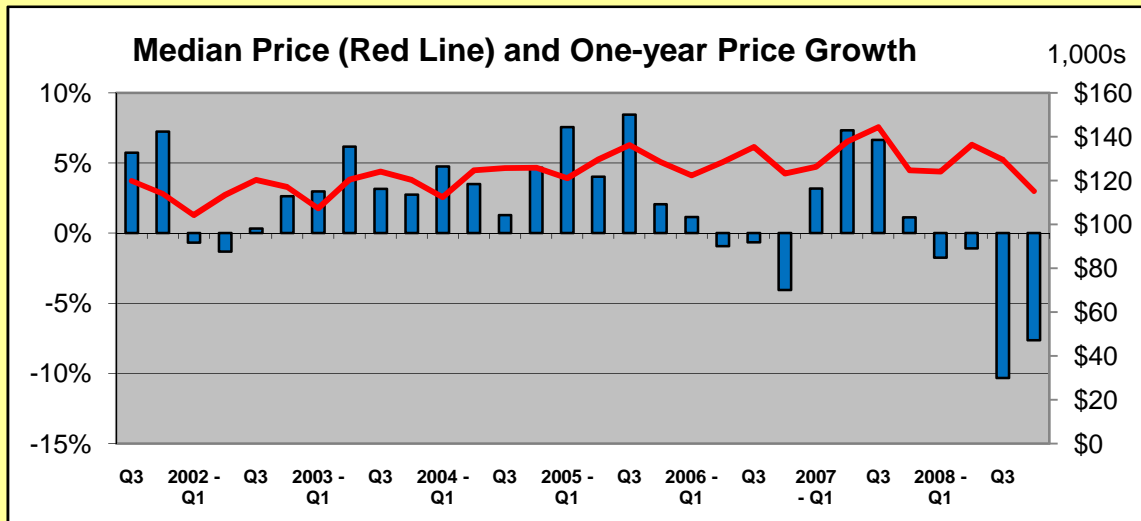


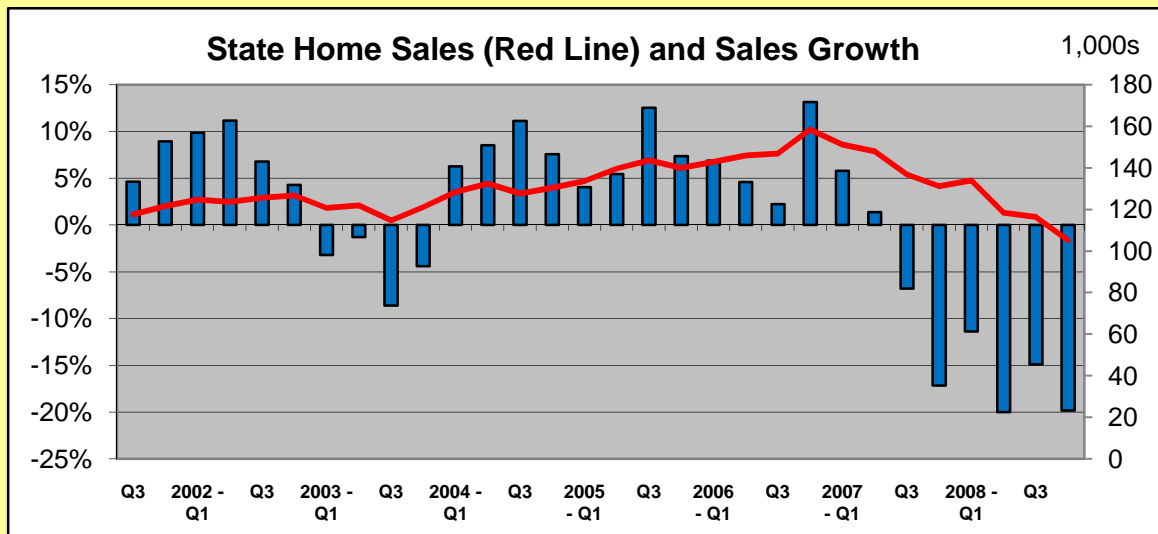


Gary-Hammond Area Metro Market Report, Fourth Quarter 2008

Today's Market...



	Gary	U.S.	Local Trend
Price Activity			
Current Median Home Price (2008 - Q4)	\$115,100	\$180,800	
1-year Appreciation (2008 - Q4)	-7.6%	-7.0%	Weak for this metro area
3-year Appreciation (2008 - Q4)	-10.4%	-19.8%	Weak for this market
3-year (12-quarter) Housing Equity Gain	-\$13,300	-\$44,567	
7-year (28 q) Housing Equity Gain	-\$9,500	-\$13,167	
9-year (36 q) Housing Equity Gain	\$1,700	\$16,967	



Home Sales and Construction Growth	Indiana	U.S.	
*State Existing Home Sales (Q4)	-19.8%	-16.4%	Weak compared to local average

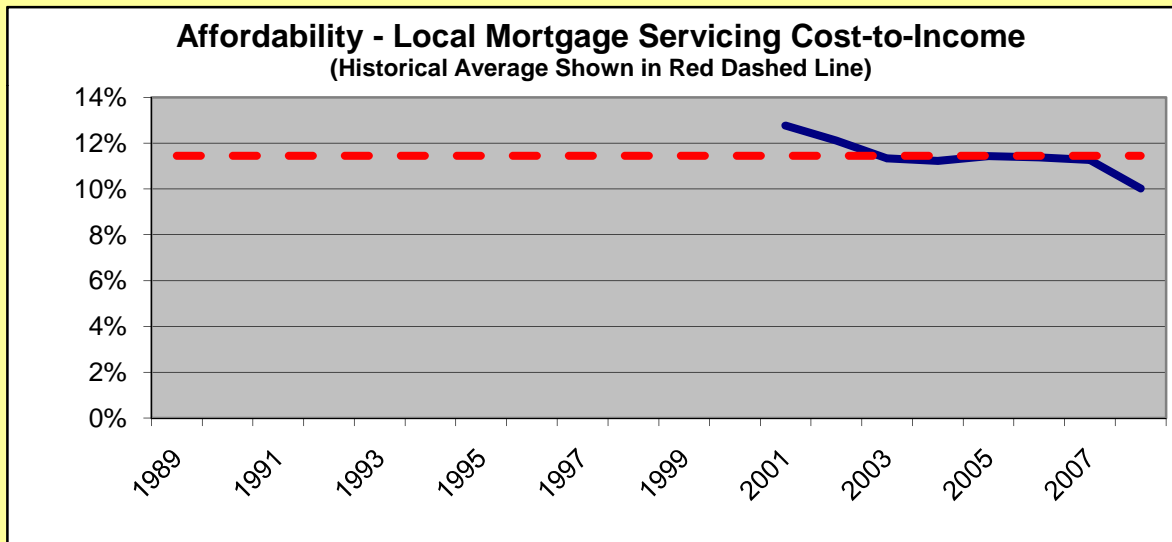
*versus same quarter, year-ago

Local Supply and Demand...

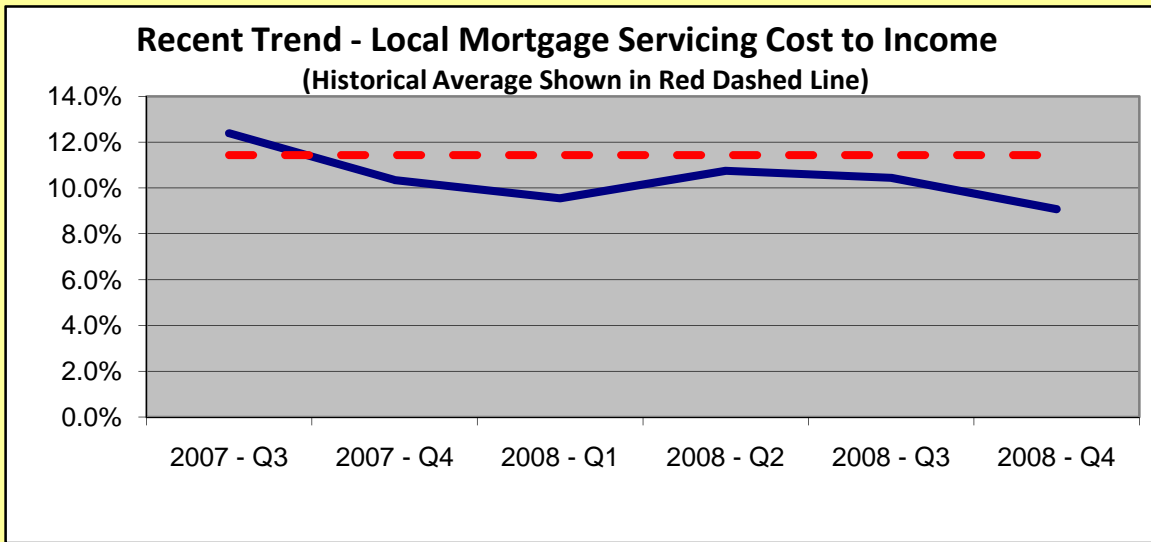
Local Economic Outlook	Gary	U.S.	
1-year Job Additions (2008 - Dec)	-1,500	Not Comparable	Soft for this market
3-year Job Additions (2008 - Dec)	300	Not Comparable	Weaker than local average
State Economic Activity Index	Indiana	U.S.	
12-month change (2008 - Dec)	-5.8%	-0.9%	Weak compared with nation
36-month change (2008 - Dec)	-2.7%	4.5%	Weak relative to the nation

Local Fundamentals	Gary	U.S.	
1-year (12 month) Job Growth Rate	-0.5%	-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	NA	0.0	NA
3-year Job Gain to New Single-Family Homes	NA	13.9	NA
** Single-Family Housing Permits (2008 - Dec)	NA	-41.3%	NA

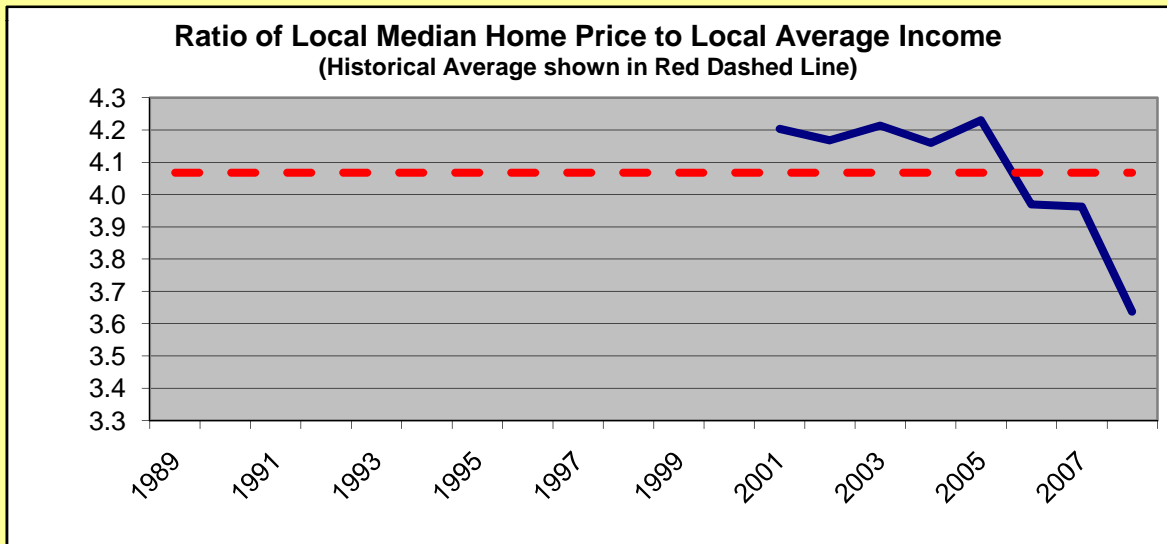
**Rolling 12-month sum vs. a year ago



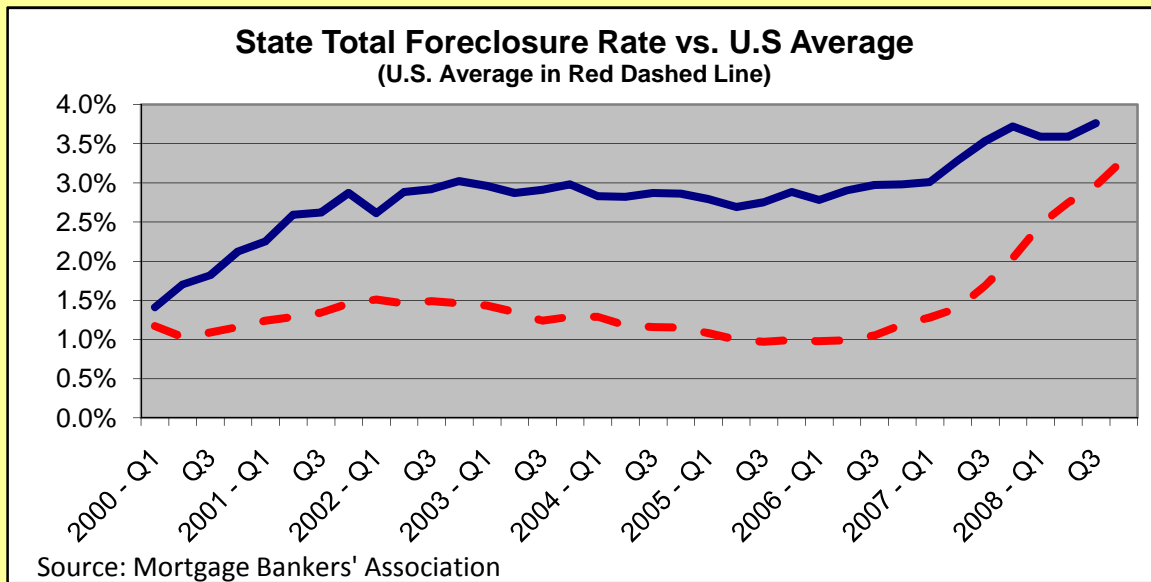
Monthly Mortgage Payment to Income	Gary	U.S.	
Ratio for all of 2008	10.6%	21.4%	Good local affordability
Ratio for 2008 - Q4	9.1%	20.6%	Improving and historically strong
Historical Local Average	11.4%	23.2%	Good relative to the nation



Median Home Price to Income	Gary	U.S.	
Ratio for 2008	3.7	7.4	Good Relative to Local History
Historical Local Average	4.1	7.2	Good Compared to Nation Average



Looking Deeper....



Monthly Market Data - October 2008	Gary	U.S.	
PRIME Market Share	NA	84.2%	NA
SUBPRIME and Alt-A Market Share	NA	15.8%	NA
TOTAL Foreclosure + REO Rate	NA	1.2%	NA
TOTAL Foreclosure + REO Rate (same period, 1-year earlier)	NA	0.5%	NA
SUBPRIME Foreclosure + REO Rate	NA	14.0%	NA
SUBPRIME Foreclosure + REO Rate (same period, 1-year earlier)	NA	7.2%	NA
ALT-A Foreclosure + REO Rate	NA	9.0%	NA
ALT-A Foreclosure + REO Rate (same period, 1-year earlier)	NA	2.5%	NA

Monthly Foreclosure data provided by First American CoreLogic, LoanPerformance data

The Mortgage Market

