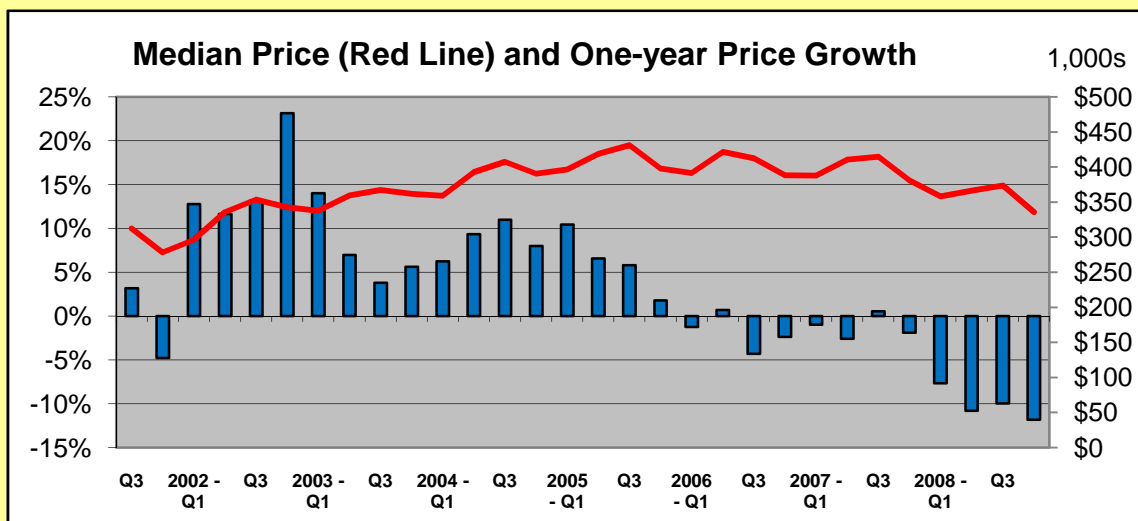


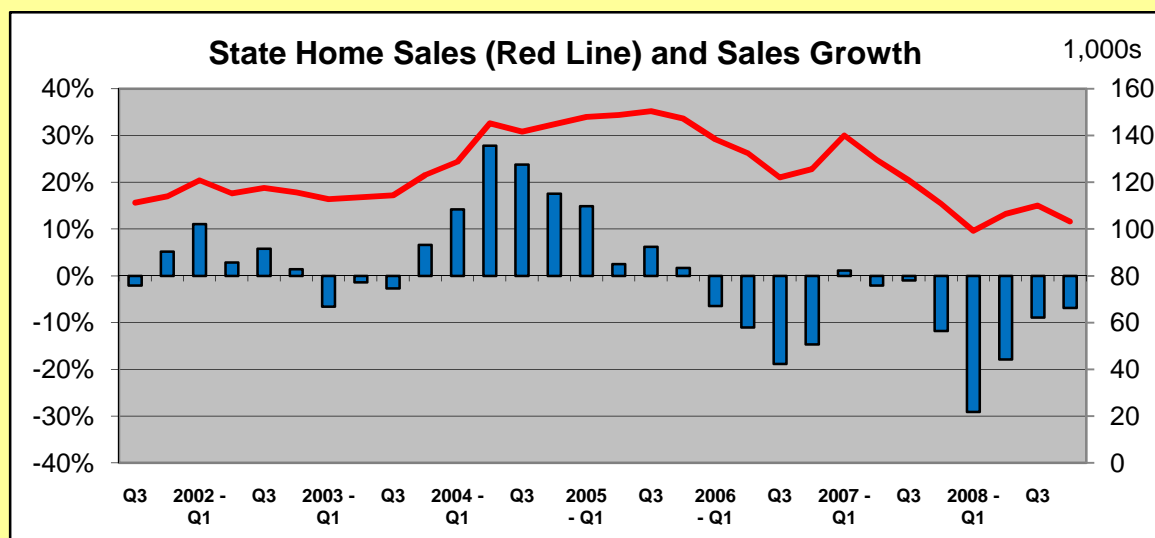


Boston-Cambridge-Quincy Area Metro Market Report, Fourth Quarter 2008

Today's Market...



| | Boston | U.S. | Local Trend |
|---|-----------|-----------|--------------------------|
| Price Activity | | | |
| Current Median Home Price (2008 - Q4) | \$335,700 | \$180,800 | |
| 1-year Appreciation (2008 - Q4) | -11.8% | -7.0% | Weak for this metro area |
| 3-year Appreciation (2008 - Q4) | -15.5% | -19.8% | Weak for this market |
| 3-year (12-quarter) Housing Equity Gain | -\$61,800 | -\$44,567 | |
| 7-year (28 q) Housing Equity Gain | -\$57,000 | -\$13,167 | |
| 9-year (36 q) Housing Equity Gain | \$0 | \$16,967 | |



| Home Sales and Construction Growth | Massachusetts | U.S. | |
|------------------------------------|---------------|--------|--------------------------------|
| *State Existing Home Sales (Q4) | -6.9% | -16.4% | Weak compared to local average |

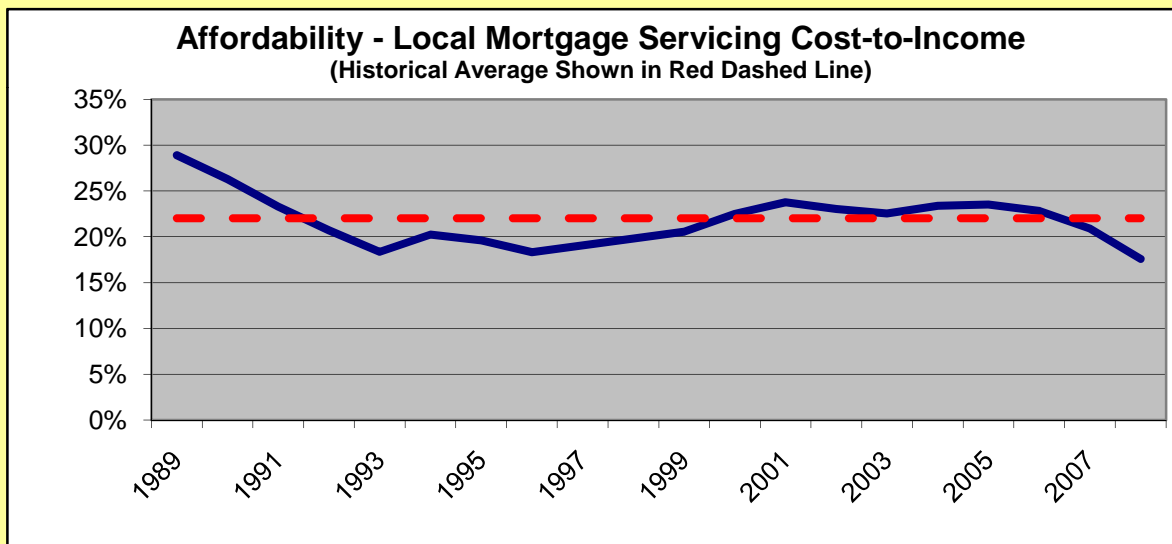
*versus same quarter, year-ago

Local Supply and Demand...

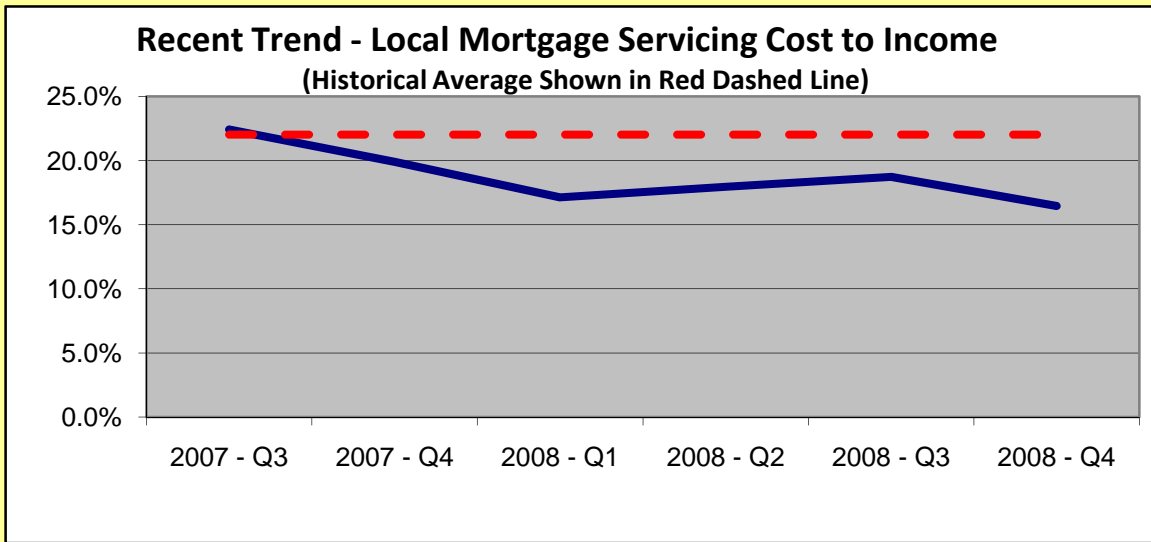
| Local Economic Outlook | Boston | U.S. | |
|-----------------------------------|---------------|----------------|-----------------------------|
| 1-year Job Additions (2008 - Dec) | -19,700 | Not Comparable | Soft for this market |
| 3-year Job Additions (2008 - Dec) | 29,300 | Not Comparable | Weaker than local average |
| State Economic Activity Index | Massachusetts | U.S. | |
| 12-month change (2008 - Dec) | -1.0% | -0.9% | Weak compared with nation |
| 36-month change (2008 - Dec) | 6.1% | 4.5% | Good relative to the nation |

| Local Fundamentals | Boston | U.S. | |
|---|--------|--------|---------------------------------------|
| 1-year (12 month) Job Growth Rate | -0.8% | -0.4% | Weak compared to other markets |
| 3-year (36 month) Job Growth Rate | 1.2% | 2.5% | Weaker than most metro areas |
| 1-year Job Gain to New Single-Family Homes | -2.5 | 0.0 | Weak compared to the national average |
| 3-year Job Gain to New Single-Family Homes | 0.9 | 13.9 | Weak compared to the nation |
| ** Single-Family Housing Permits (2008 - Dec) | -35.7% | -41.3% | Important to reduce supply |

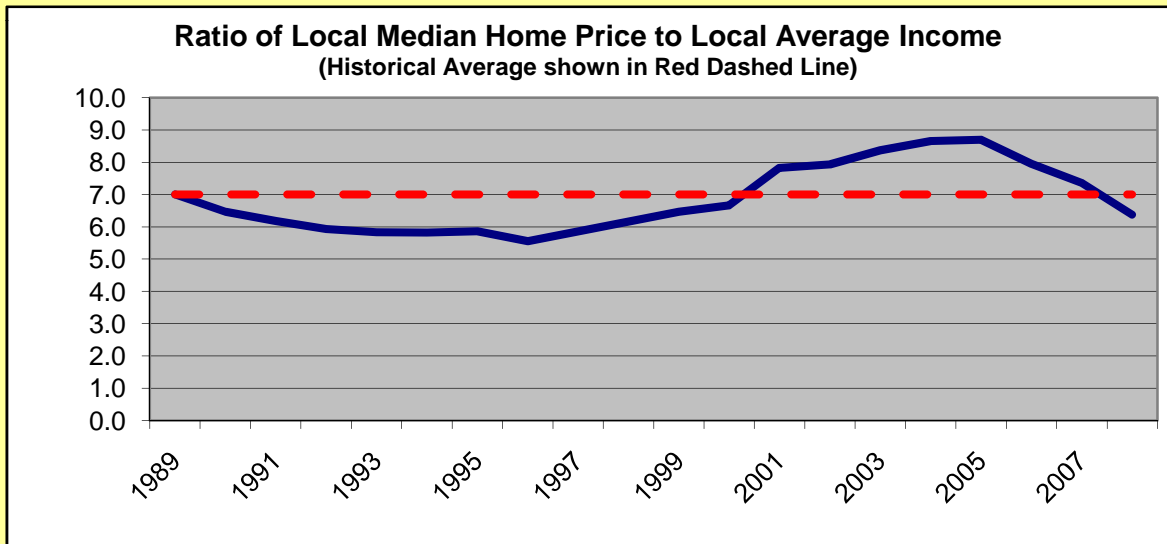
**Rolling 12-month sum vs. a year ago



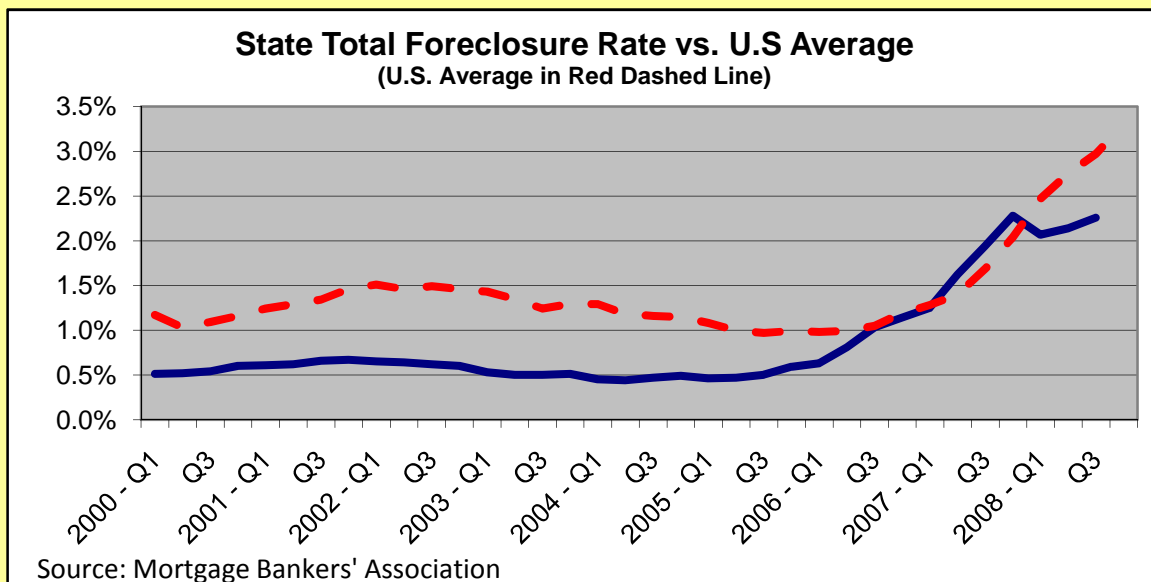
| Monthly Mortgage Payment to Income | Boston | U.S. | |
|------------------------------------|--------|-------|-----------------------------------|
| Ratio for all of 2008 | 19.3% | 21.4% | Good local affordability |
| Ratio for 2008 - Q4 | 16.5% | 20.6% | Improving and historically strong |
| Historical Local Average | 22.0% | 23.2% | Good relative to the nation |



| Median Home Price to Income | Boston | U.S. | |
|-----------------------------|--------|------|---------------------------------|
| Ratio for 2008 | 6.6 | 7.4 | Good Relative to Local History |
| Historical Local Average | 7.0 | 7.2 | Good Compared to Nation Average |



Looking Deeper....



| Monthly Market Data - October 2008 | Boston | U.S. | |
|--|--------|-------|---|
| PRIME Market Share | 87.8% | 84.2% | Lower subprime exposure than average |
| SUBPRIME and Alt-A Market Share | 12.2% | 15.8% | Strong Compared to the Nation |
| TOTAL Foreclosure + REO Rate | 0.6% | 1.2% | There has been a large local increase versus a year ago |
| TOTAL Foreclosure + REO Rate (same period, 1-year earlier) | 0.3% | 0.5% | Compared to the national average, today's local rate is low |
| SUBPRIME Foreclosure + REO Rate | 14.1% | 14.0% | There has been a large local increase versus a year ago |
| SUBPRIME Foreclosure + REO Rate (same period, 1-year earlier) | 9.5% | 7.2% | The current local rate is high given the current U.S. average |
| ALT-A Foreclosure + REO Rate | 6.4% | 9.0% | A large local increase occurred compared to a year ago |
| ALT-A Foreclosure + REO Rate (same period, 1-year earlier) | 3.1% | 2.5% | Today's local rate is low compared to the national average |

Monthly Foreclosure data provided by First American CoreLogic, LoanPerformance data

The Mortgage Market

