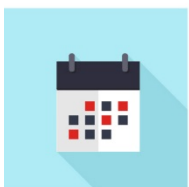
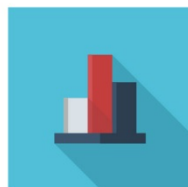
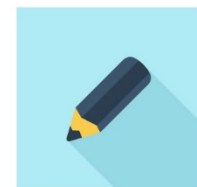
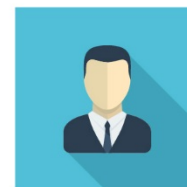
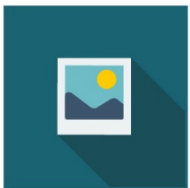
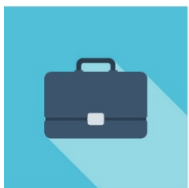
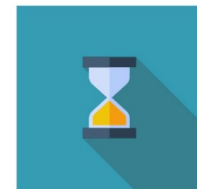
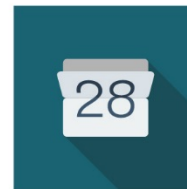
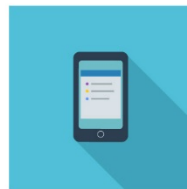
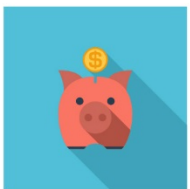
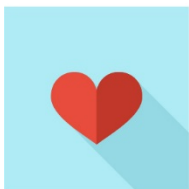
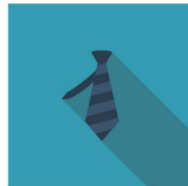
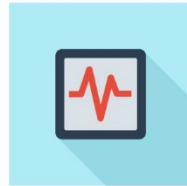
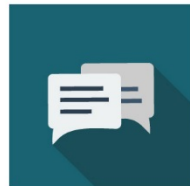
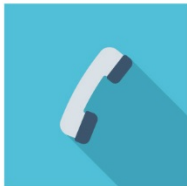
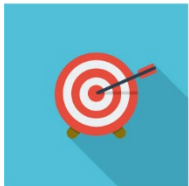
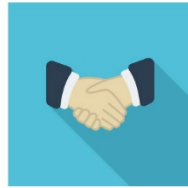
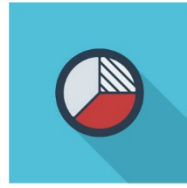
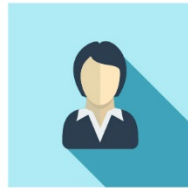
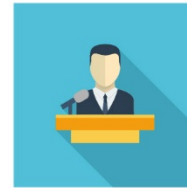
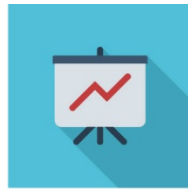
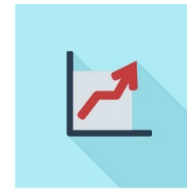
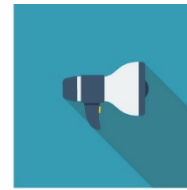


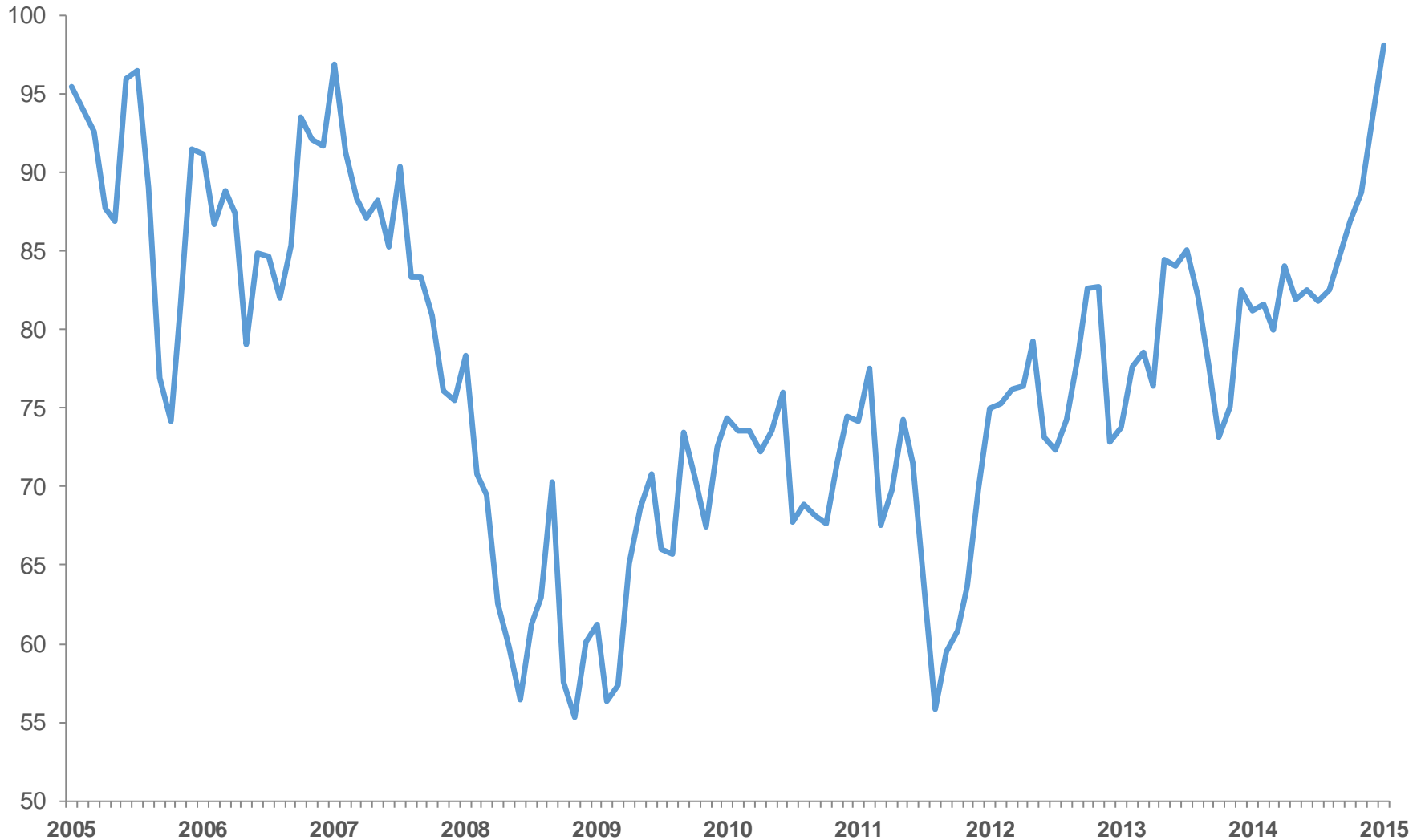
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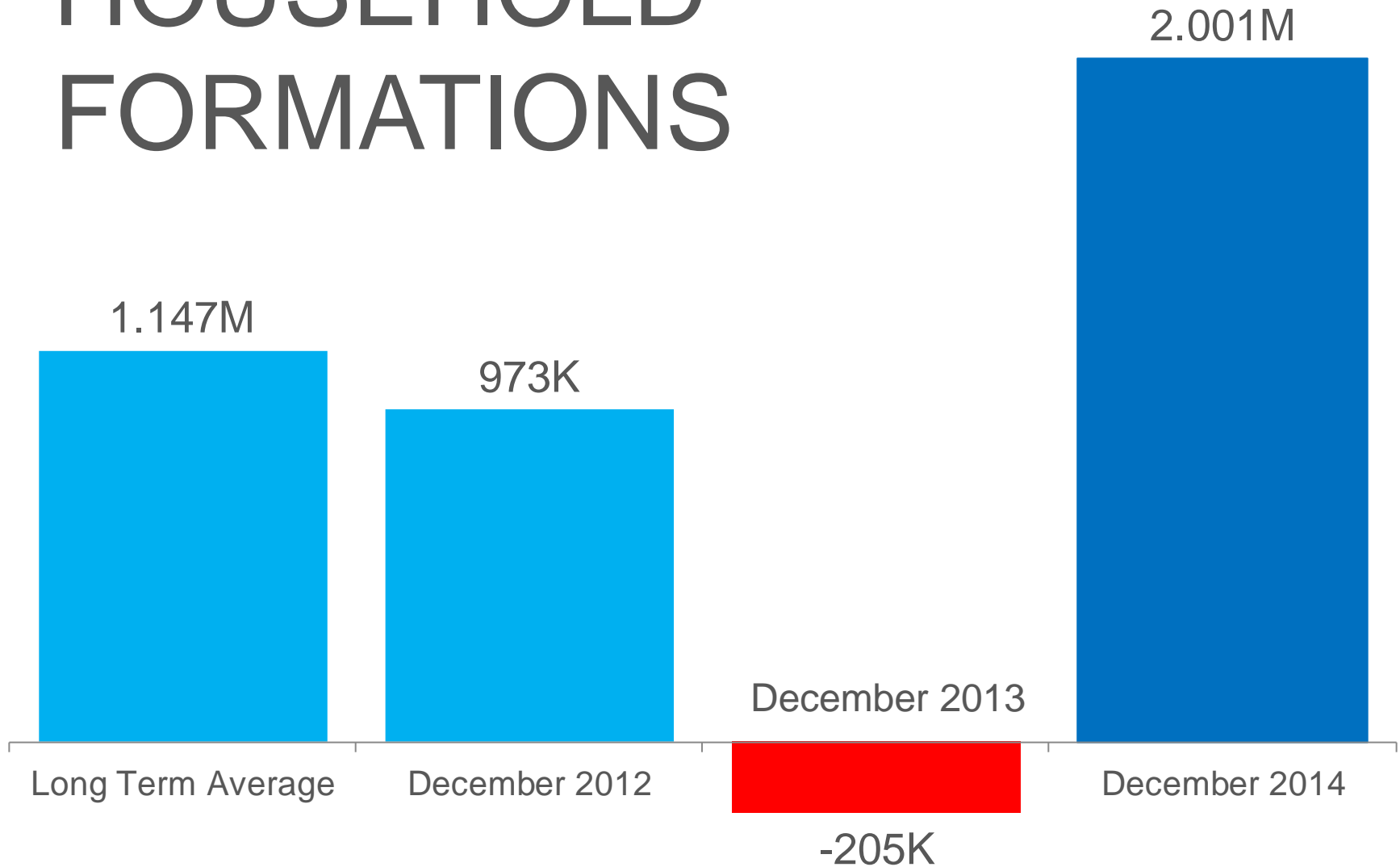


FEBRUARY 2015

Consumer Optimism Hits 11-Year High

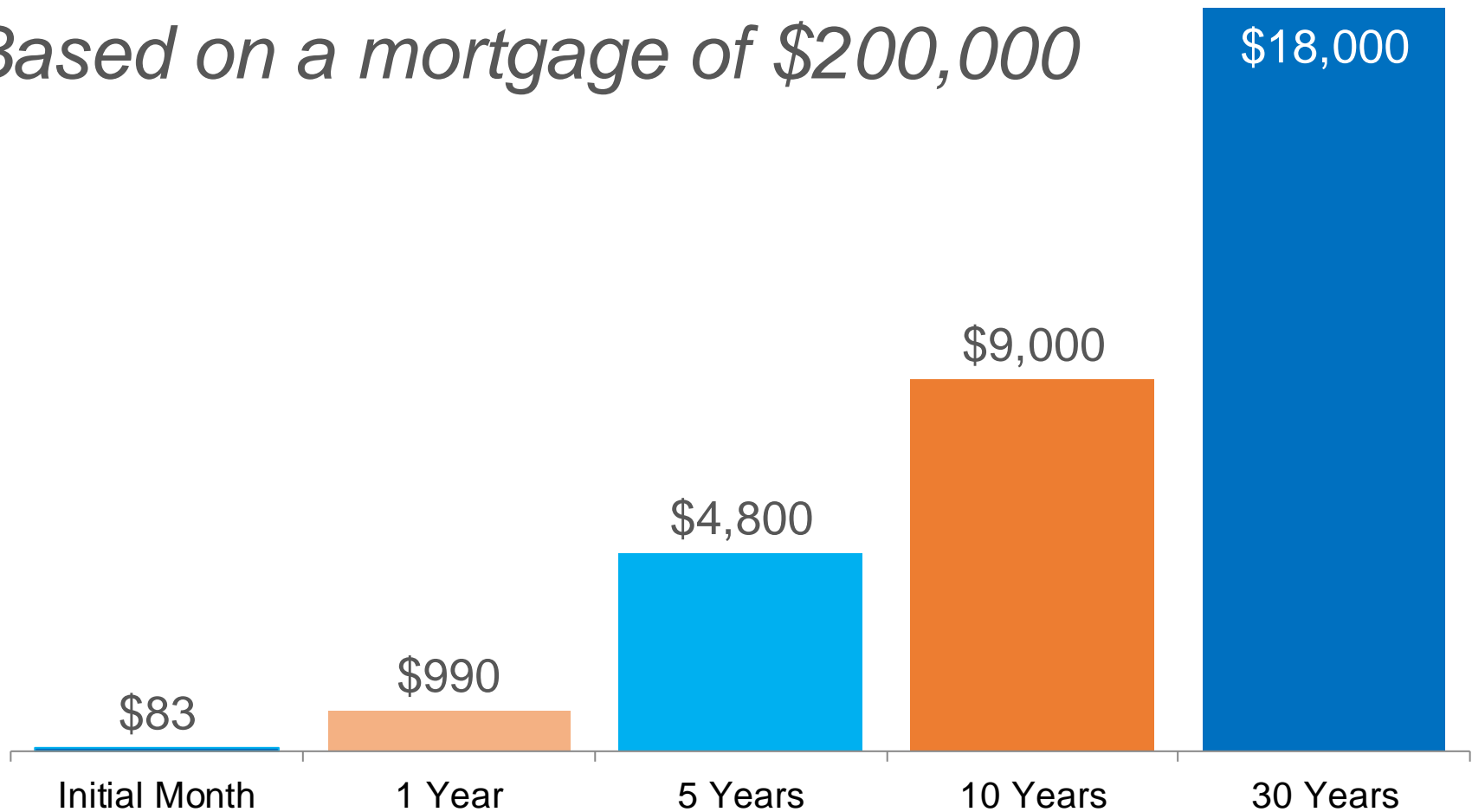


HOUSEHOLD FORMATIONS



Savings on Reduced FHA Mortgage Insurance Premiums

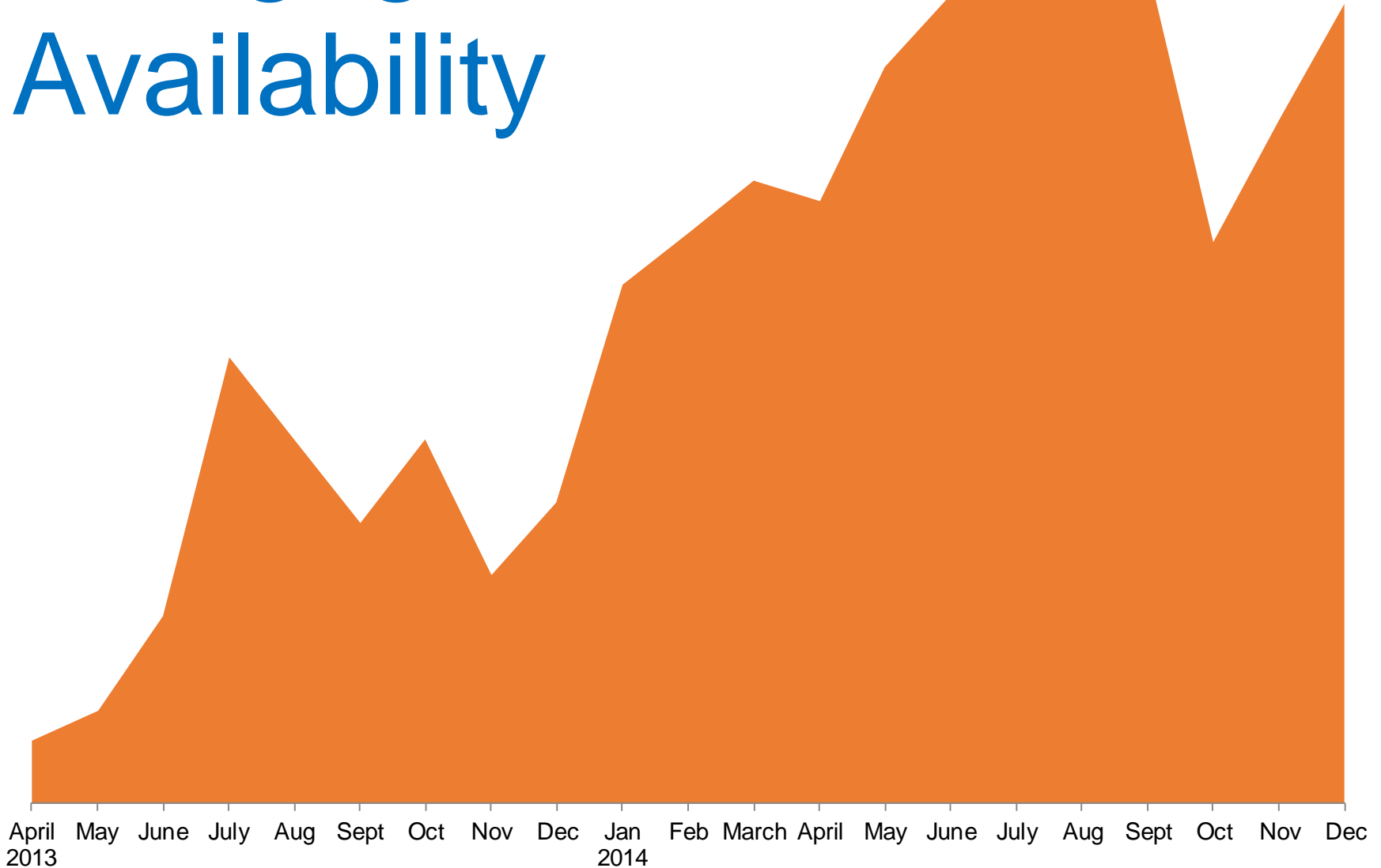
Based on a mortgage of \$200,000



“NAR Research estimates that the fee reduction will price in an additional 1.6 million to 2.1 million renters along with many trade-up buyers, resulting in 90,000 to 140,000 additional annual home purchases based on the standard affordability limits at the FHA and conventional market and dynamics in the housing finance market.”

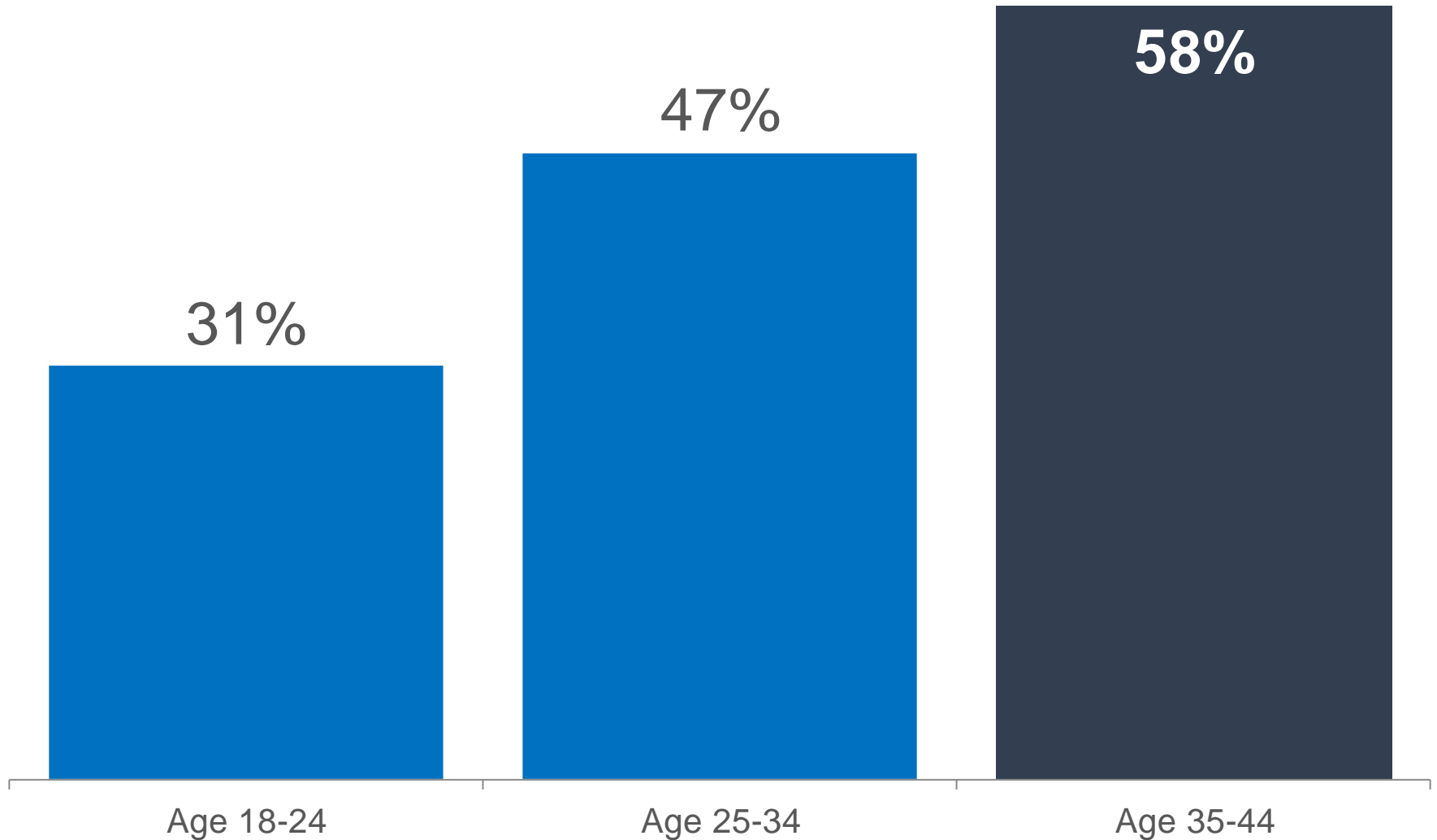


Mortgage Credit Availability



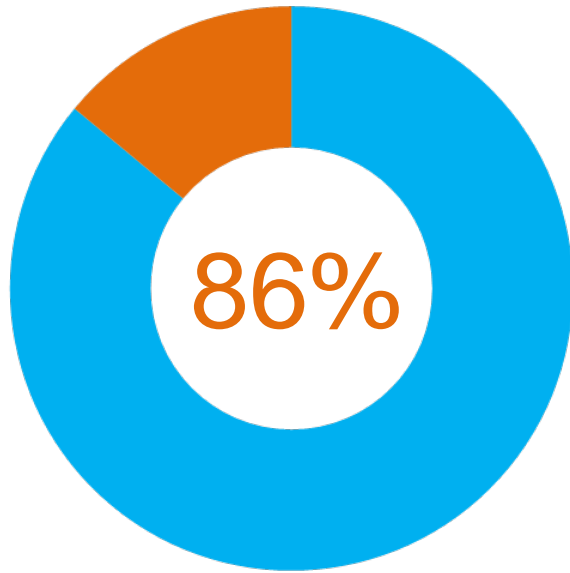
Renters Planning on Buying a Home

in the next 3 years by age group

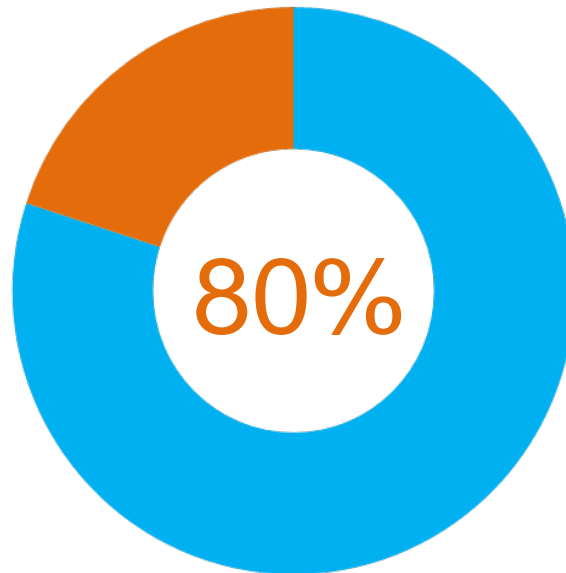


Renters' Views on Homeownership

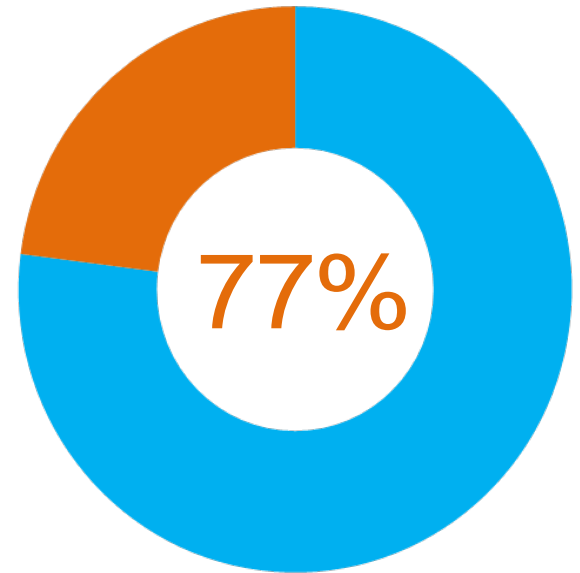
financial aspects



Homeownership
provides protection
against rent increases



Homeownership is an
investment opportunity that
builds long-term wealth



Homeownership
provides stability and/or
financial security

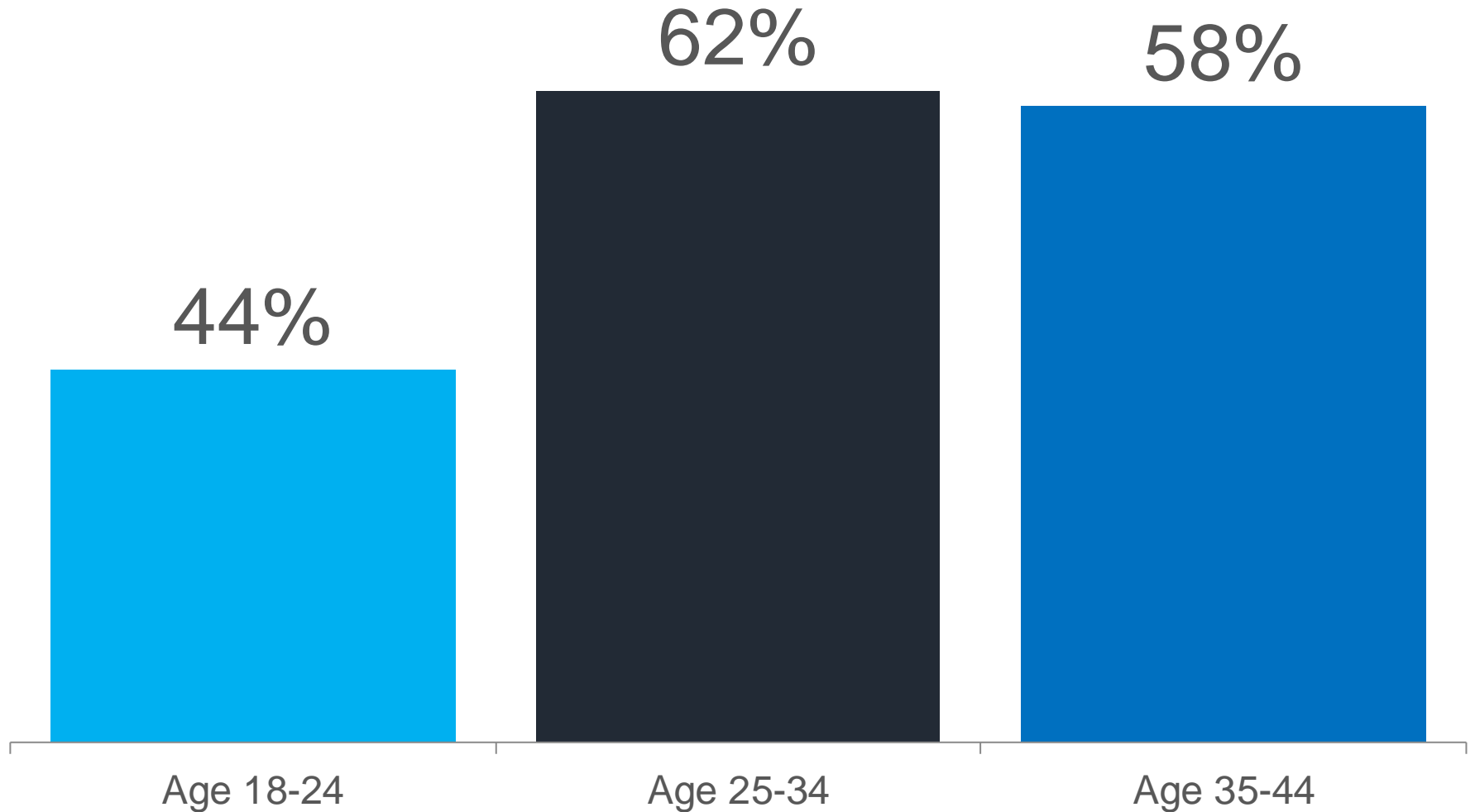
Renters' Views on Homeownership

non-financial aspects

It is something to be proud of	91%
It can be passed on to your children	90%
It allows more flexibility to design it the way you want	89%
It gives you more privacy	86%
It gives you more independence and control	81%
It provides a better home life for children	76%
It is a sign of success	76%
It makes you feel more like part of a community	74%
It allows you to live in a better, safer neighborhood	60%

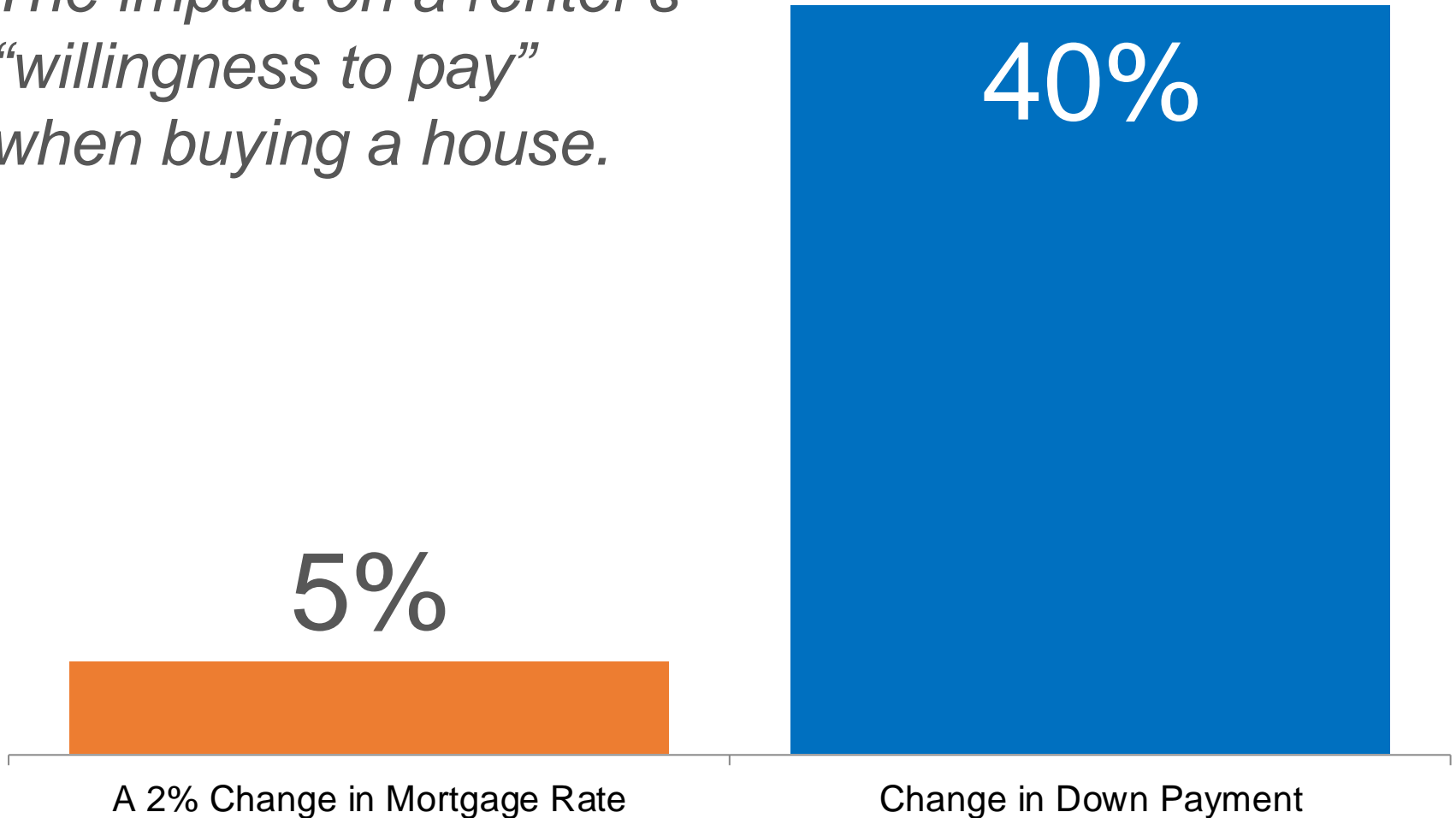
#1 Reasons Renters Won't Buy

Cannot afford a down payment for a mortgage



Impact on “Willingness to Pay”

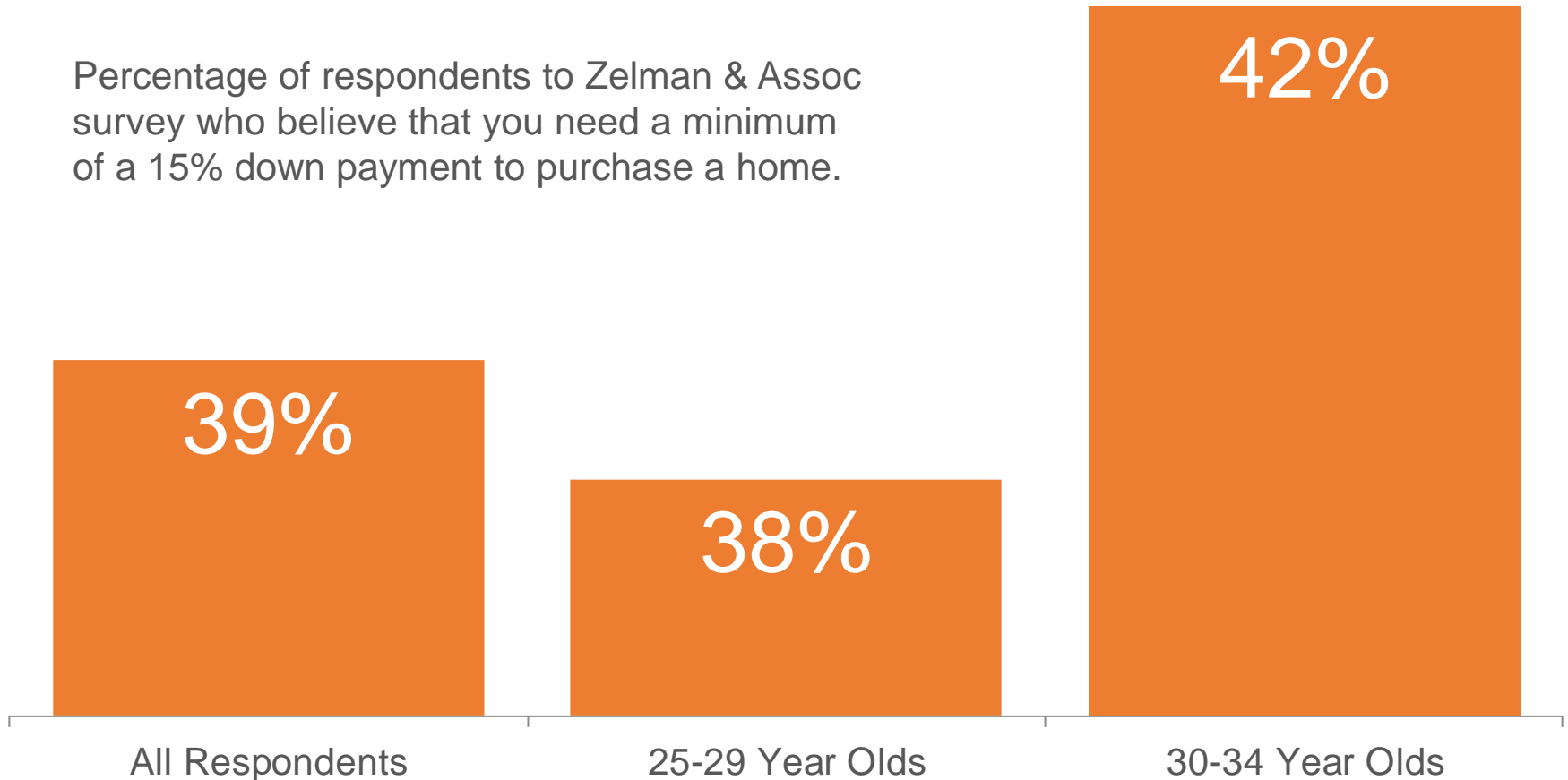
*The impact on a renter’s
“willingness to pay”
when buying a house.*



The DOWN PAYMENT

Biggest Misconception about Mortgages

Percentage of respondents to Zelman & Assoc survey who believe that you need a minimum of a 15% down payment to purchase a home.



“It’s not that Millennials and other potential homebuyers aren’t qualified in terms of their credit scores or in how much they have saved for their down payment.

*It’s that **they think** they’re not qualified or **they think** that they don’t have a big enough down payment.”*

Housing Wire commenting on a study by Nomura



“A home is often a primary source of wealth in a family...

Having a home is generational way to pass that wealth on.

We want people responsible enough to own a home to have that opportunity.”



Julián Castro, Secretary for HUD

A Second CHALLENGE



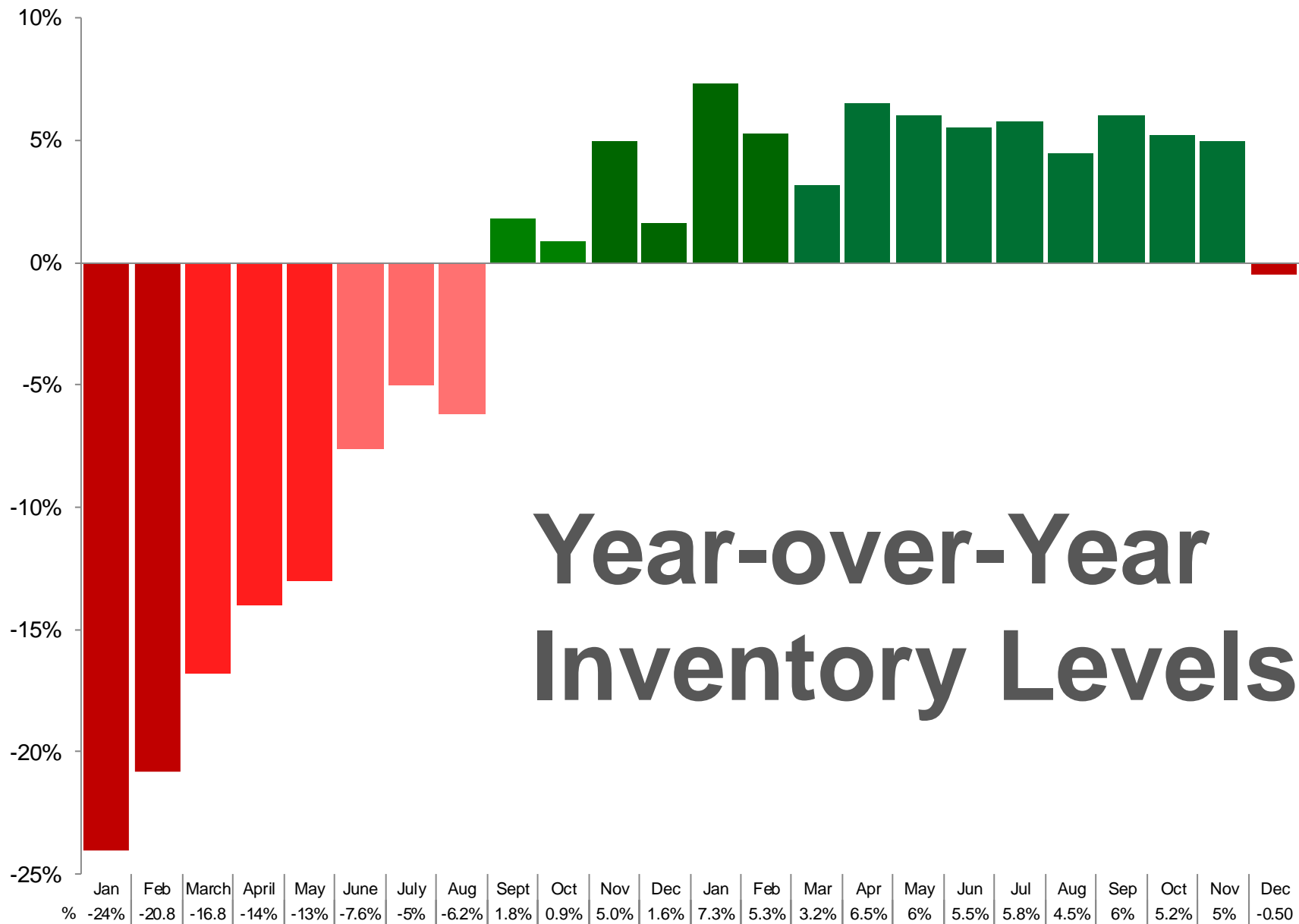
“The total inventory of homes available for sale fell for the first time in 16 months...

Months supply is already low at 4.4 months.

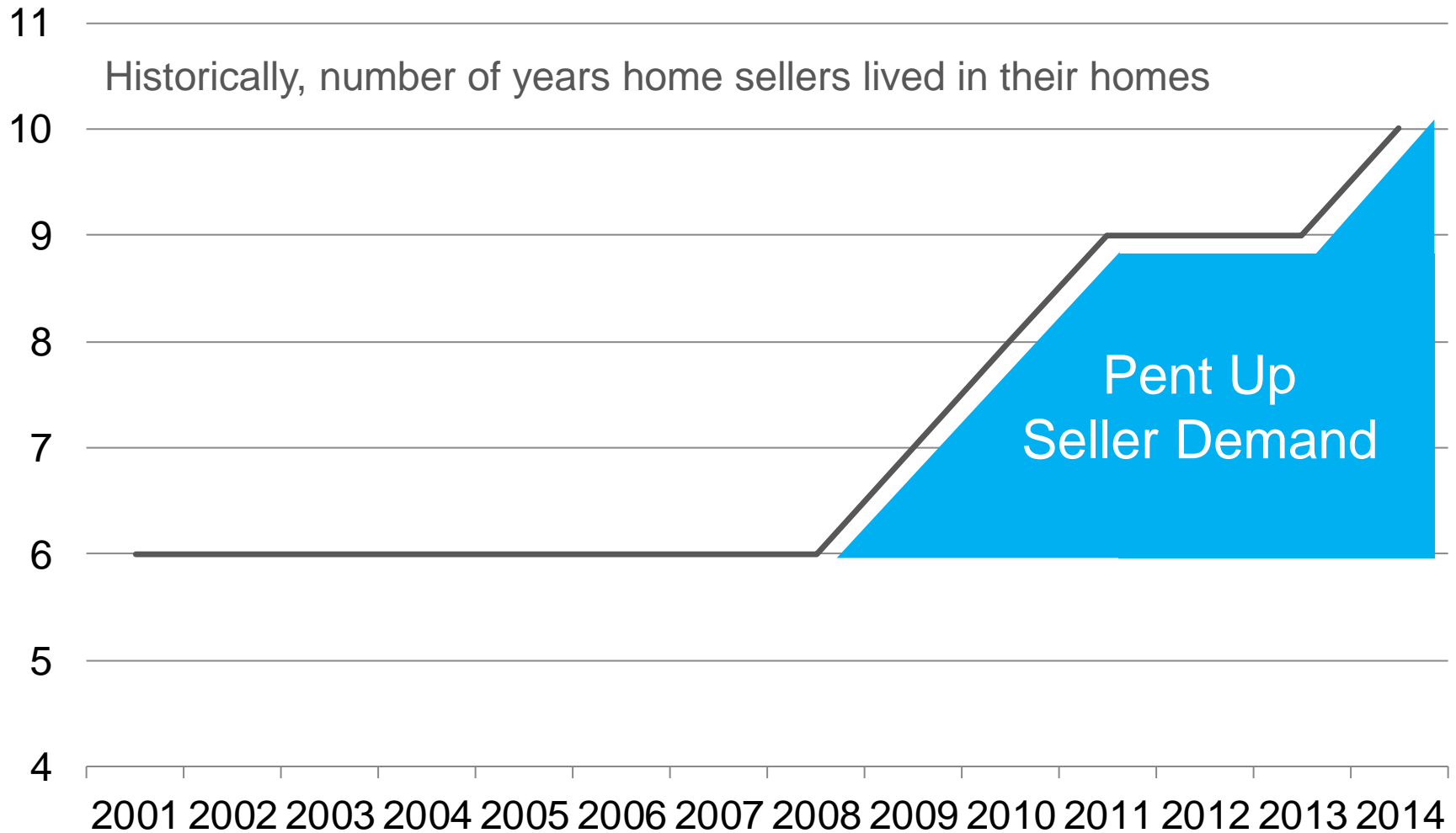
More inventories are needed, not less. Or else, home prices could re-accelerate.”



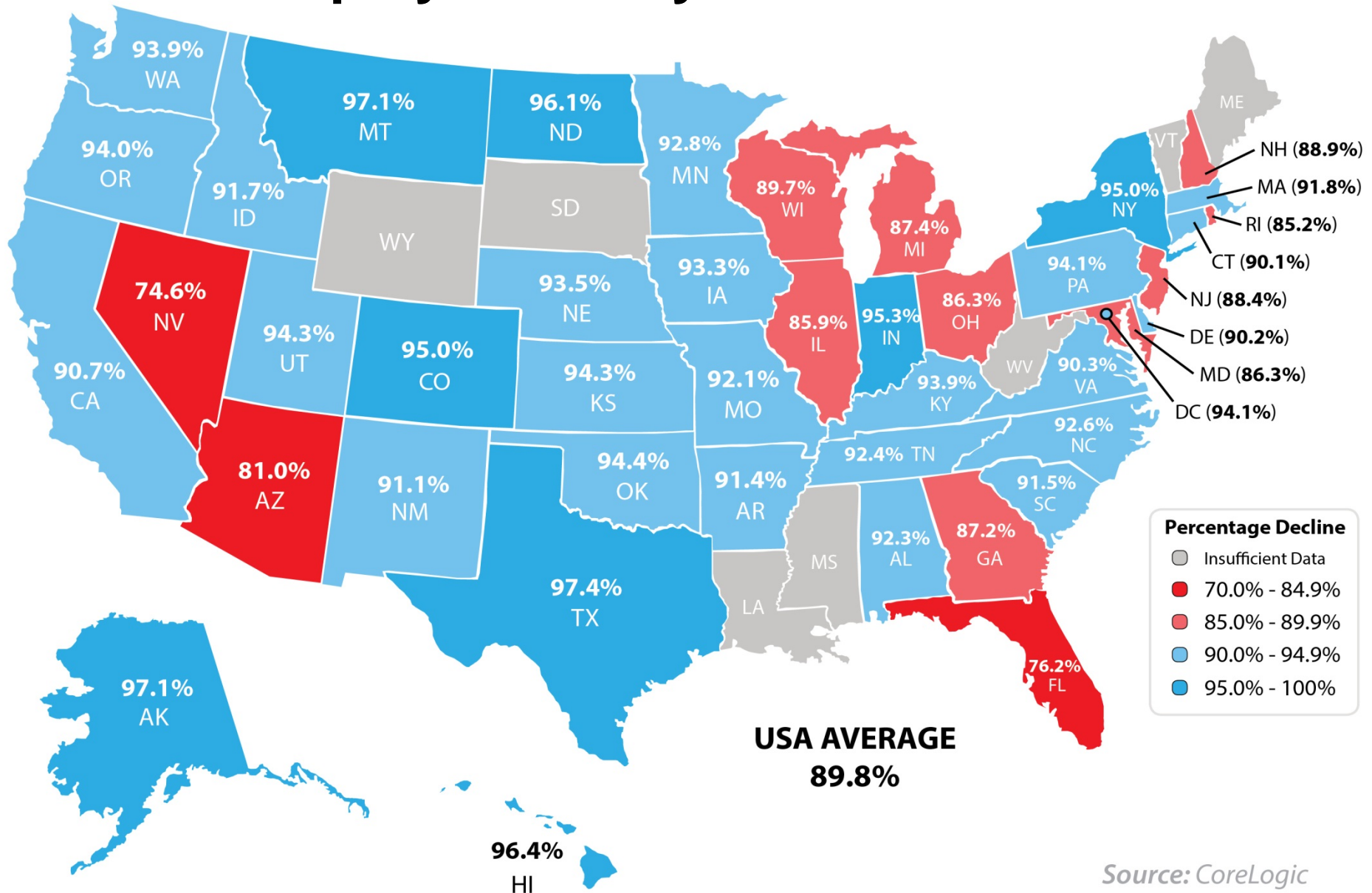
Lawrence Yun, NAR's Chief Economist



Pent Up Seller Demand



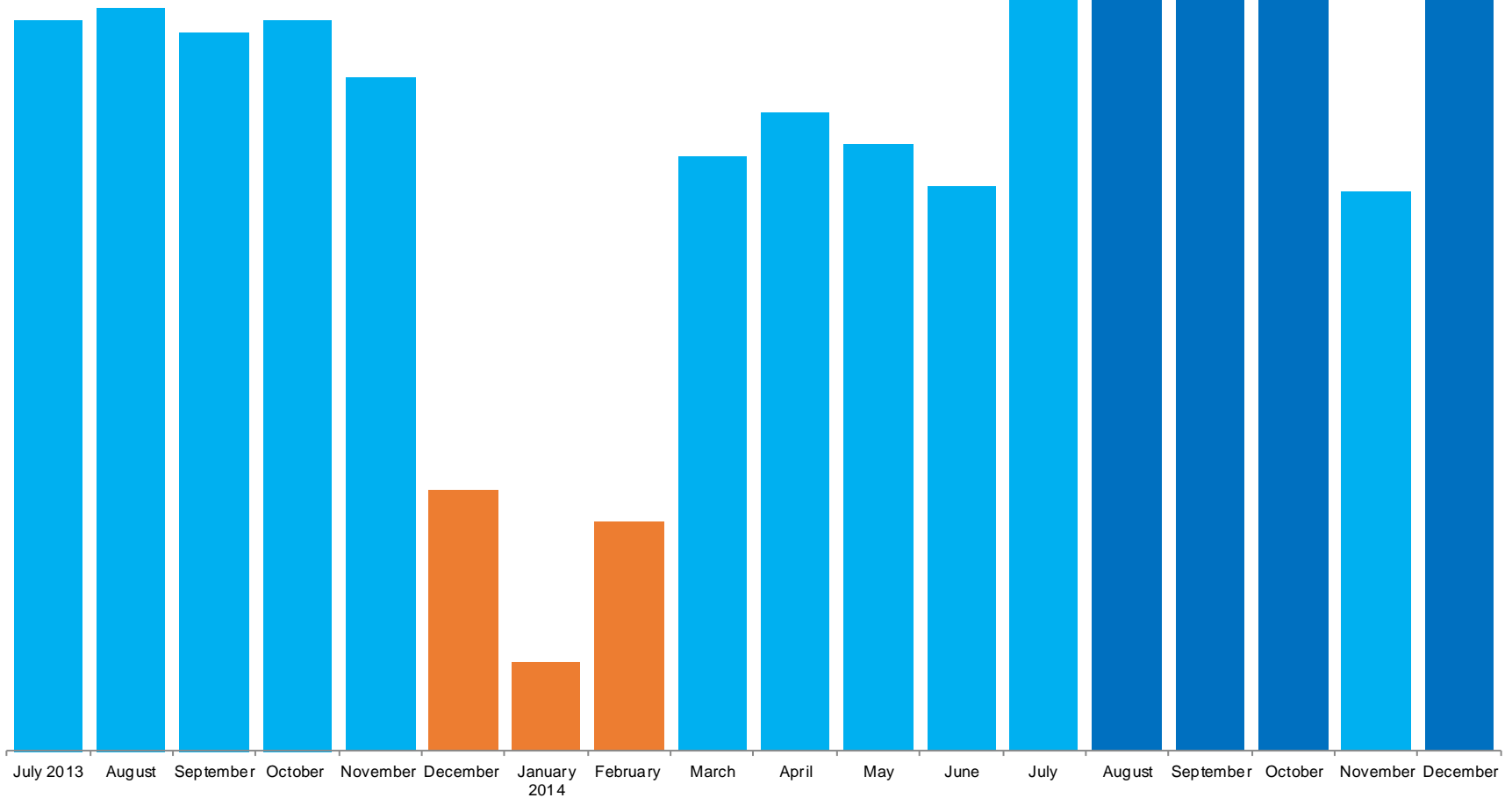
Equity Share by State Q3 2014



Source: CoreLogic

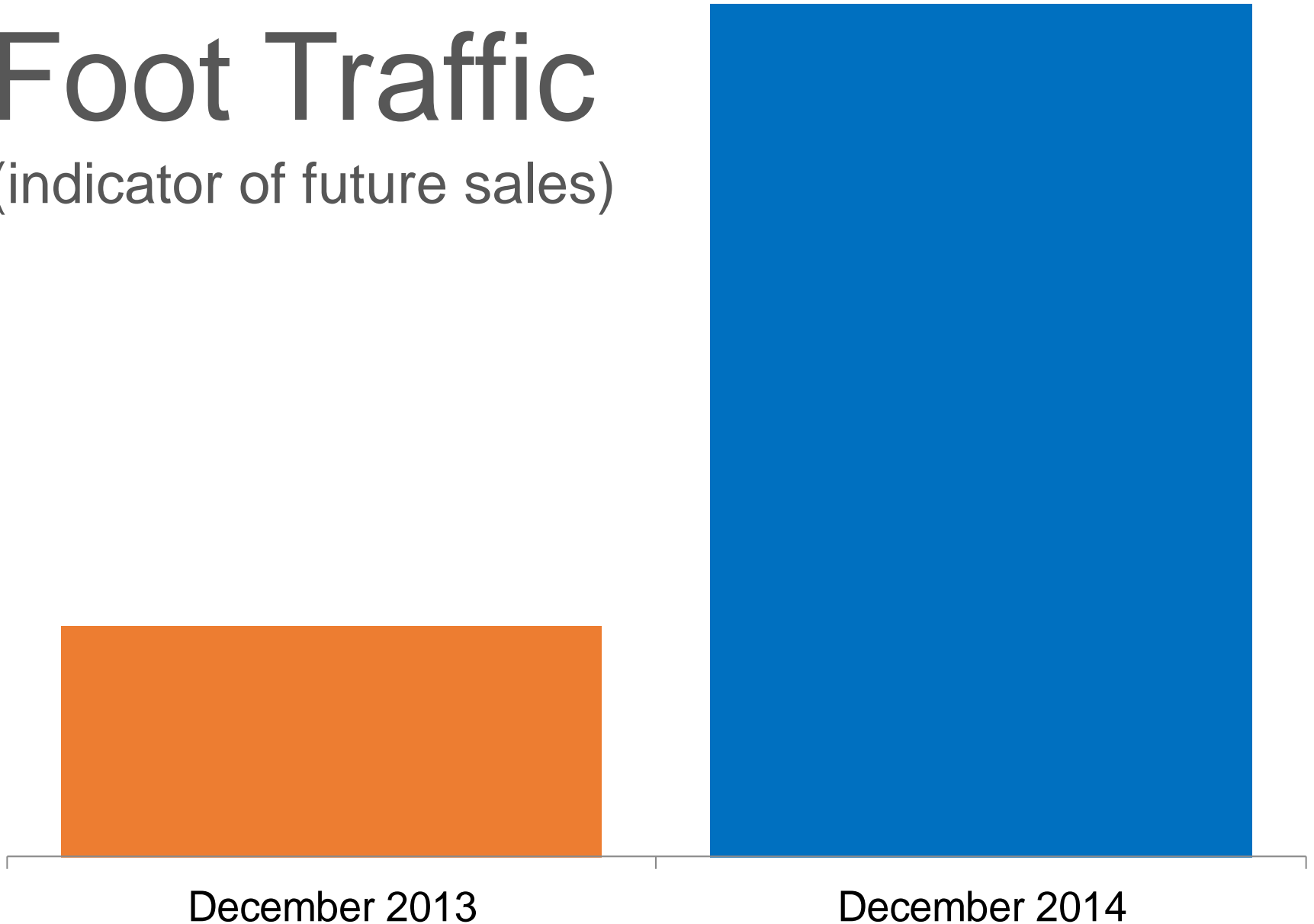
Foot Traffic

(indicator of future sales)

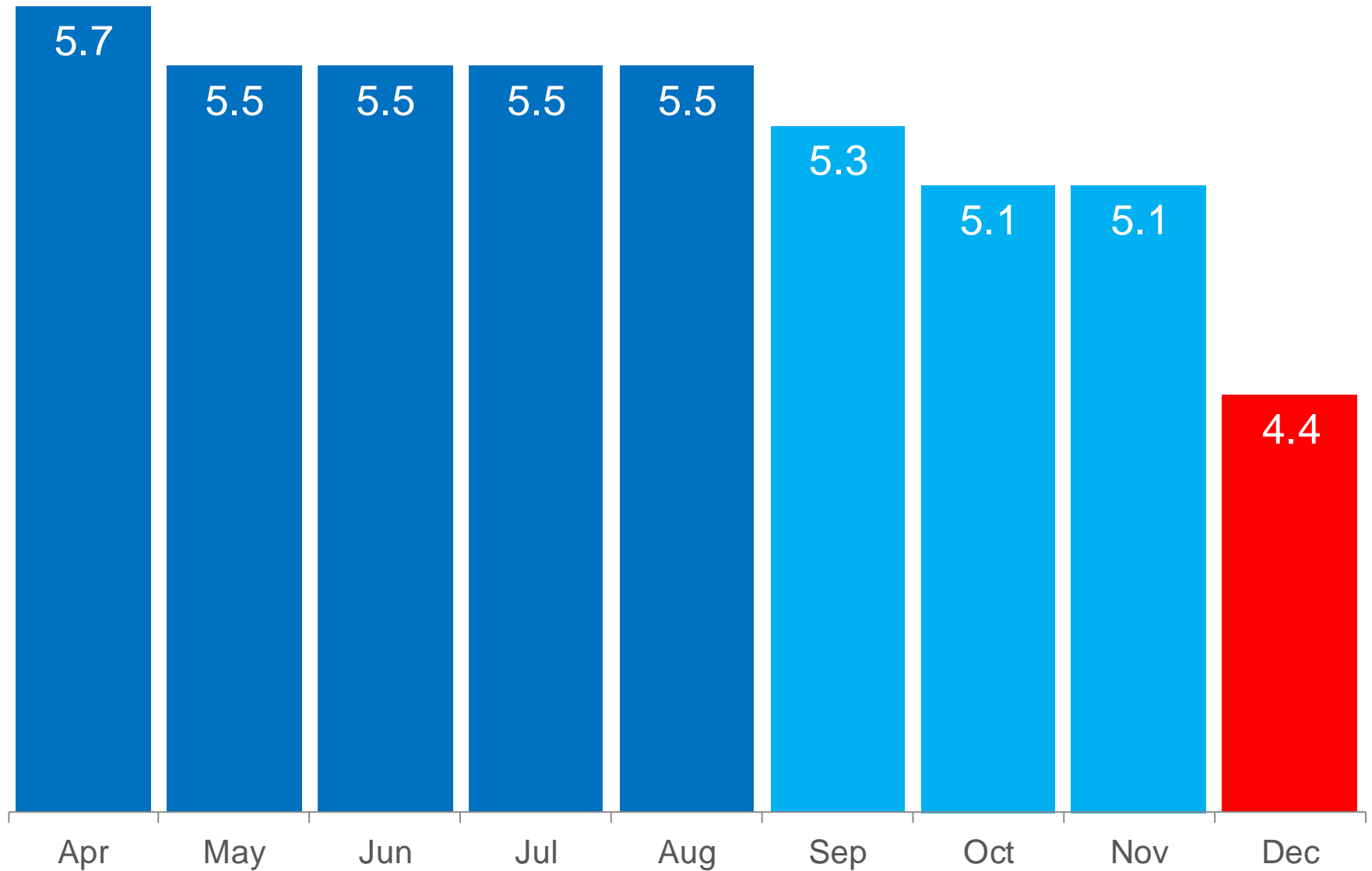


Foot Traffic

(indicator of future sales)



Months Inventory of HOMES FOR SALE



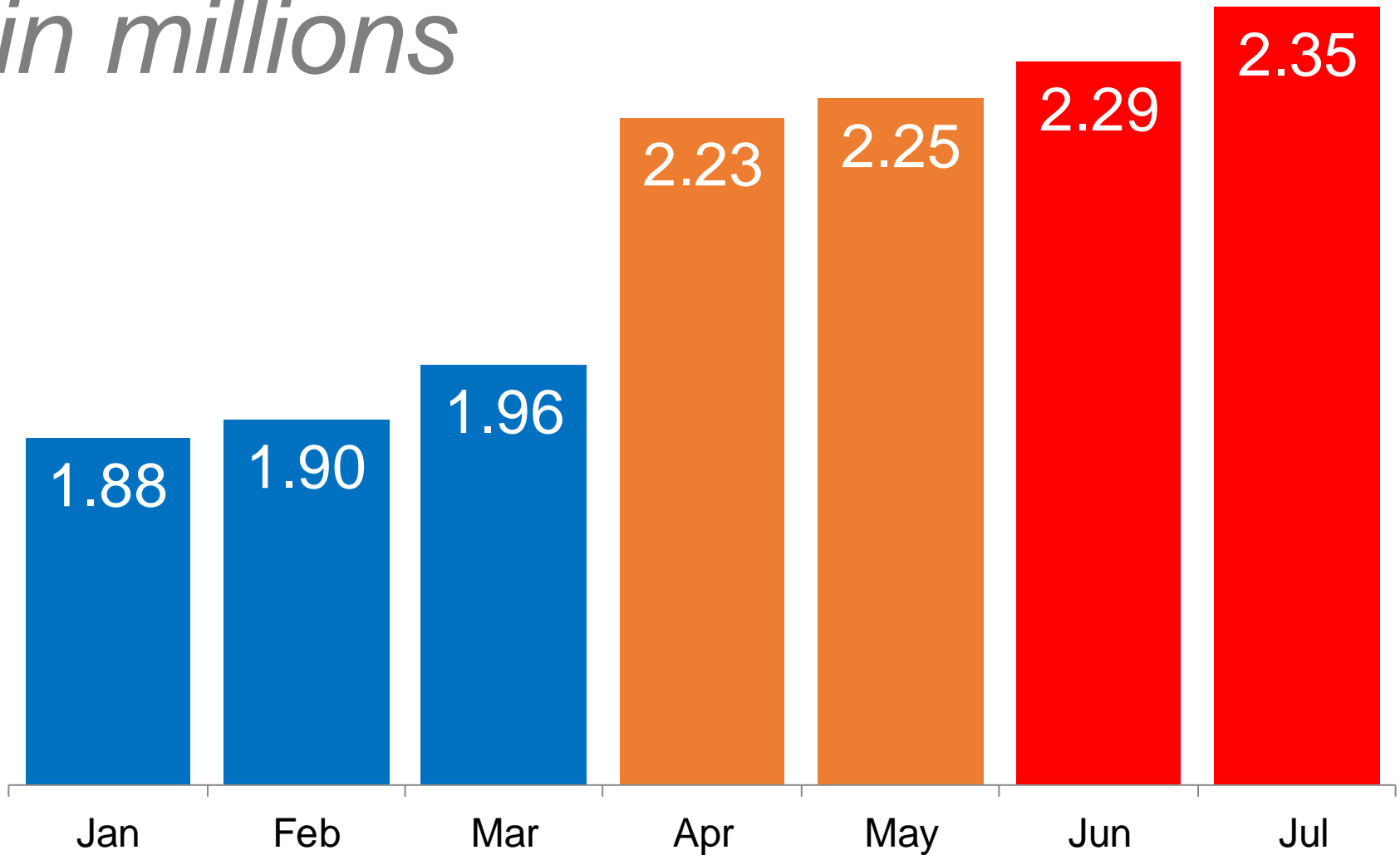
Q: When do most listings come on the market?



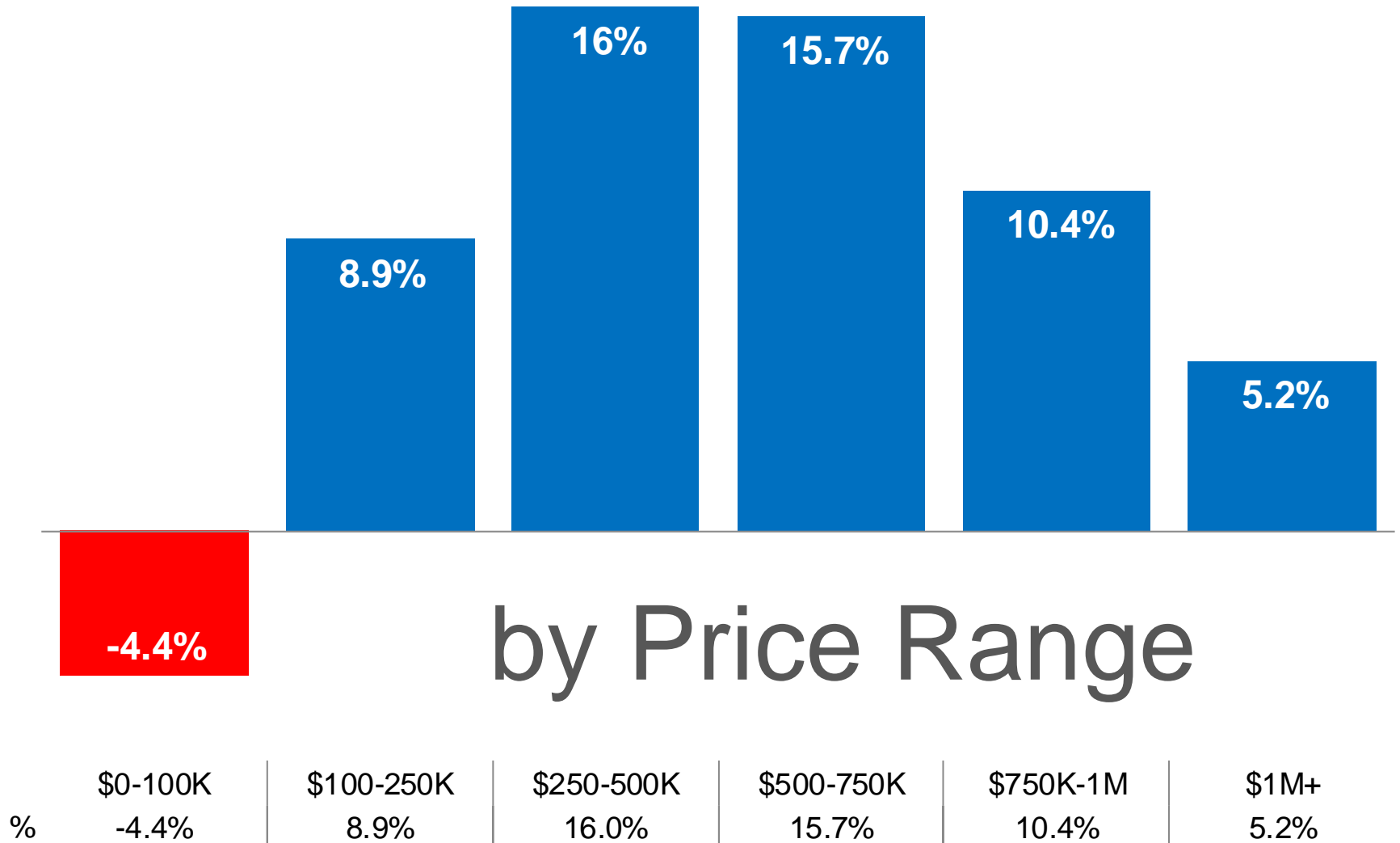
A: The 2nd Quarter of each Year

2014 Available Inventory

in millions



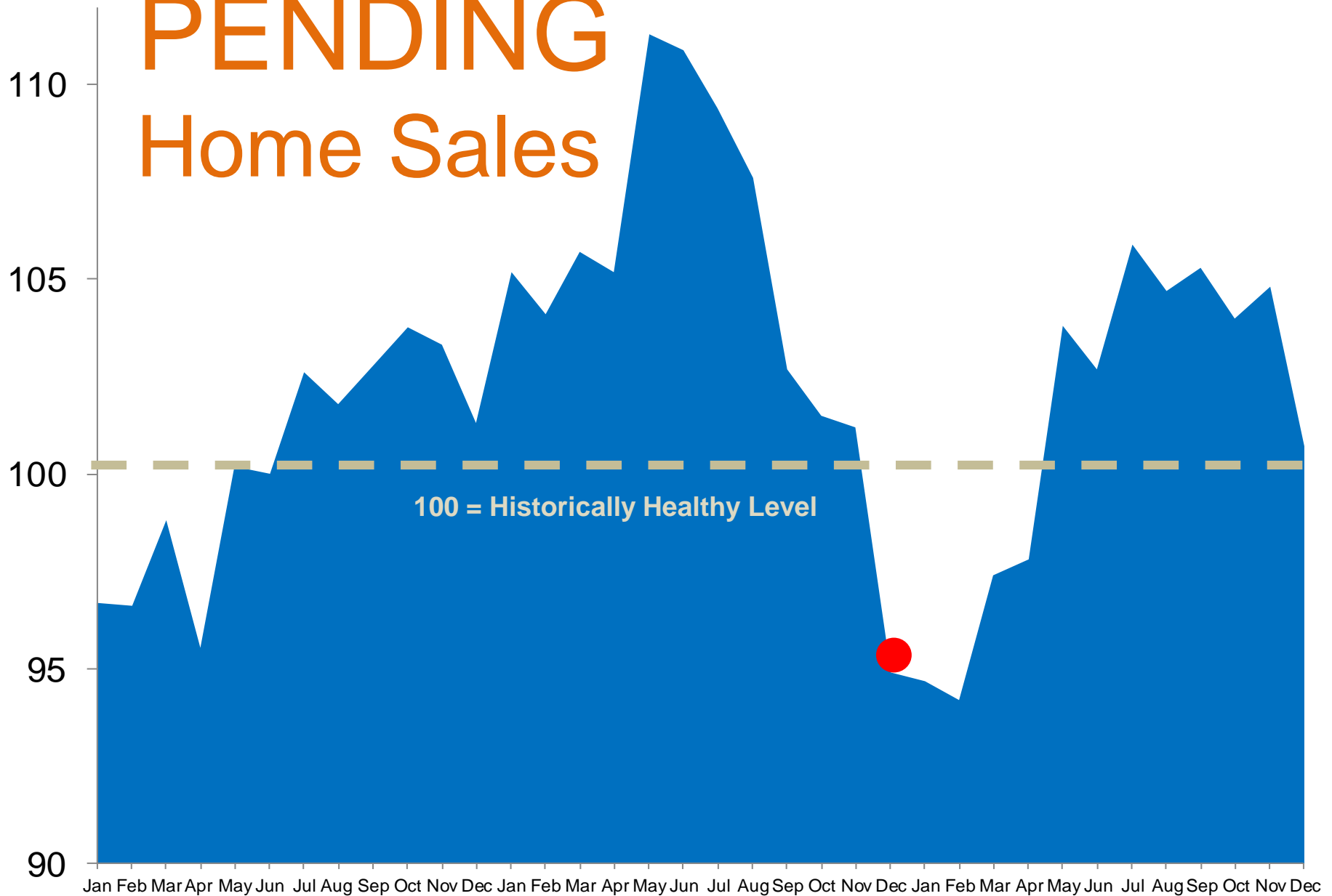
% Change in Sales from last year



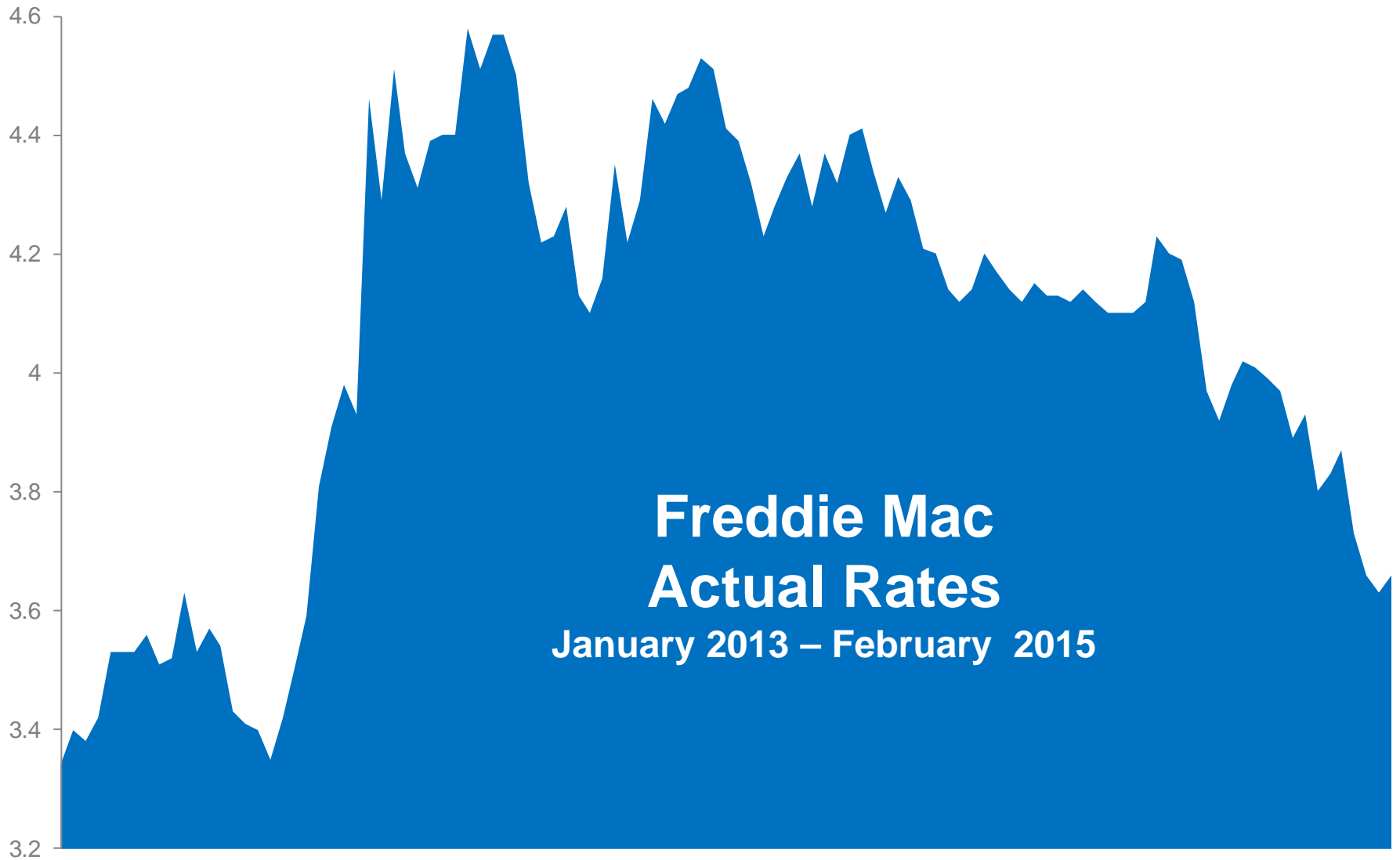
EXISTING Home Sales



PENDING Home Sales



30 Year Fixed Rate Mortgages



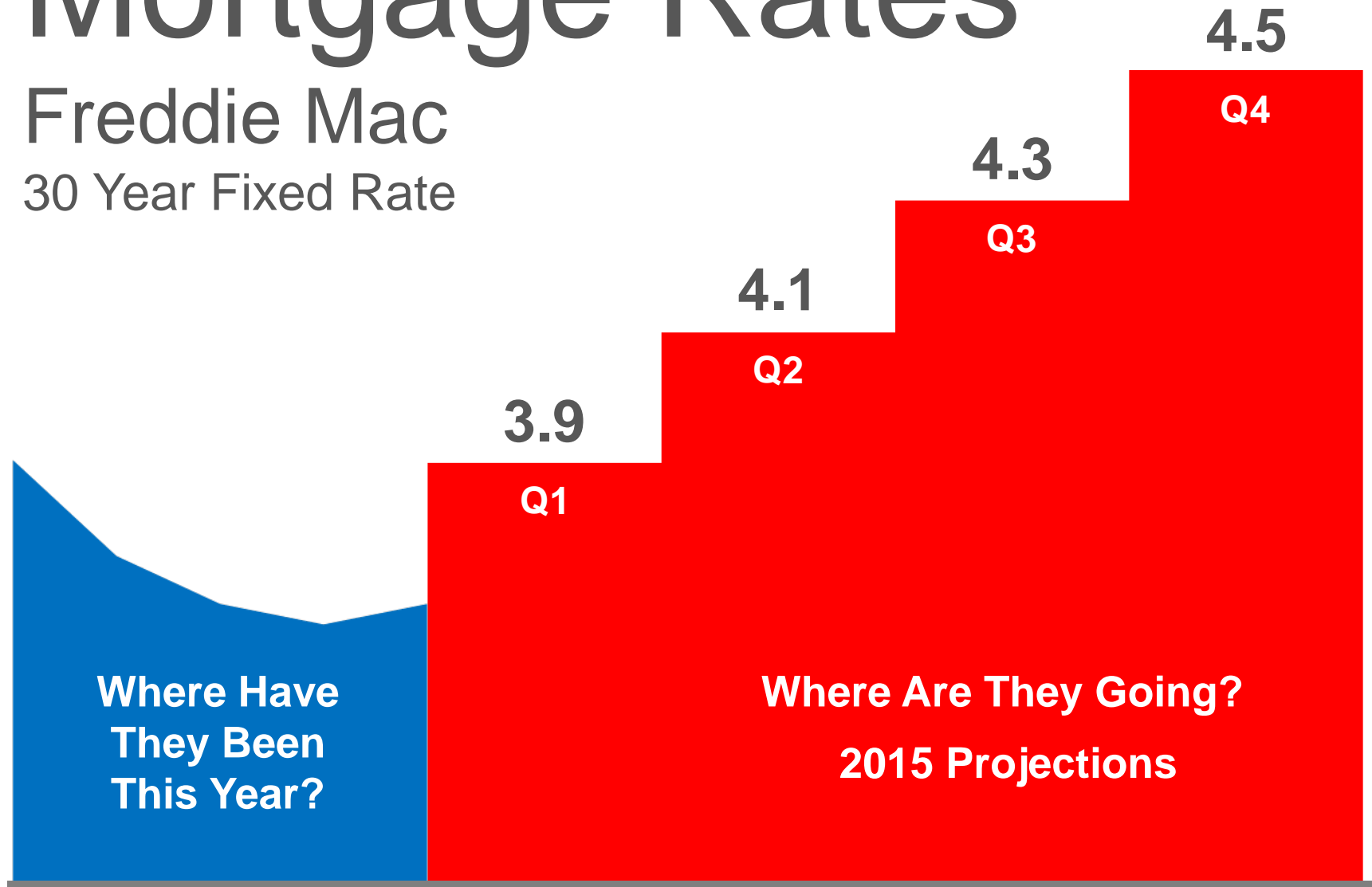
Mortgage Rate Projections



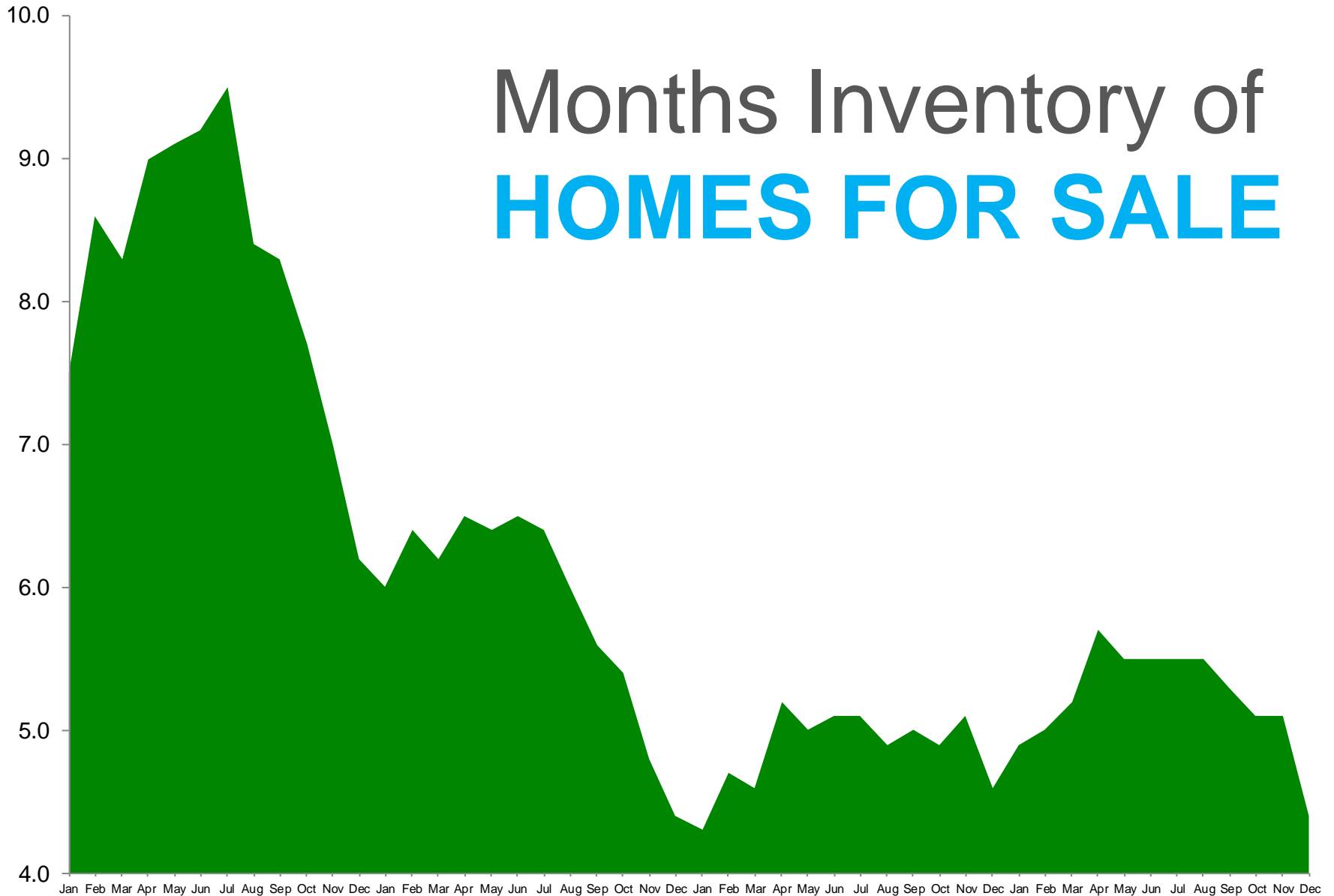
Quarter	Fannie Mae	Freddie Mac	MBA	NAR	Average of all four
2015 1Q	3.9%	3.9%	3.9%	3.8%	3.88%
2015 2Q	4.0%	4.1%	4.3%	4.0%	4.10%
2015 3Q	4.1%	4.3%	4.7%	4.3%	4.35%
2015 4Q	4.2%	4.5%	4.8%	4.7%	4.55%

Mortgage Rates

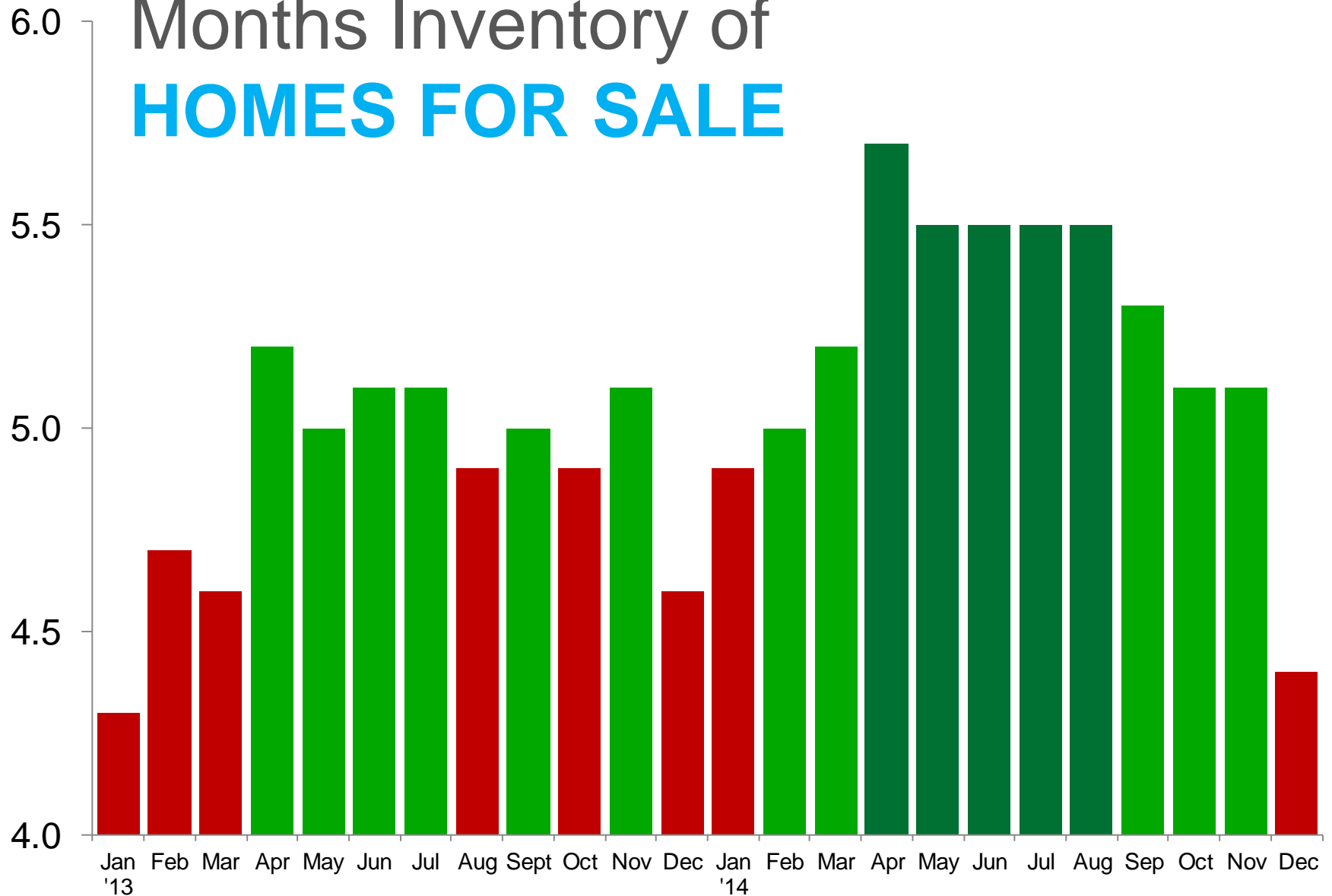
Freddie Mac
30 Year Fixed Rate



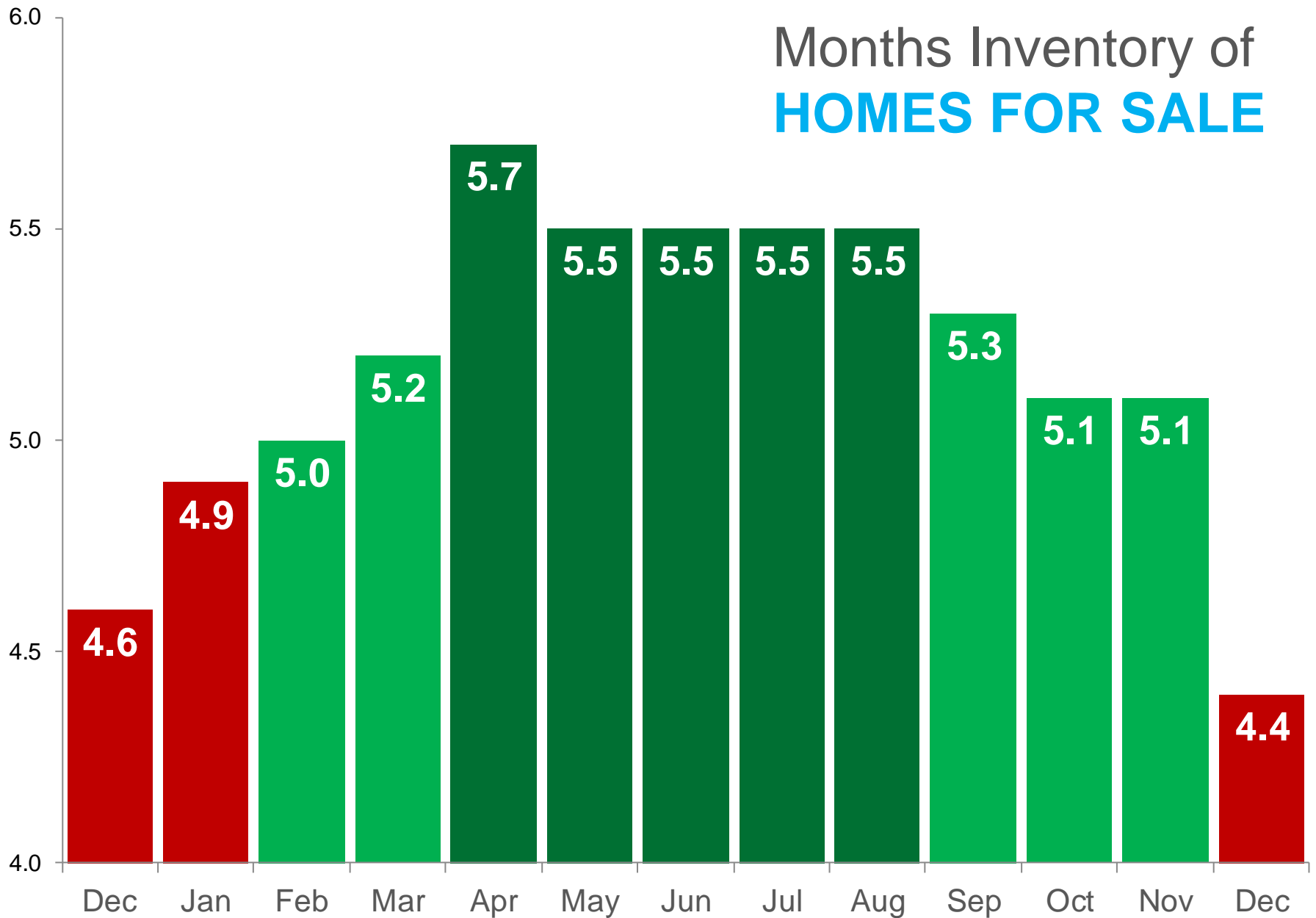
Months Inventory of **HOMES FOR SALE**



Months Inventory of **HOMES FOR SALE**



Months Inventory of **HOMES FOR SALE**

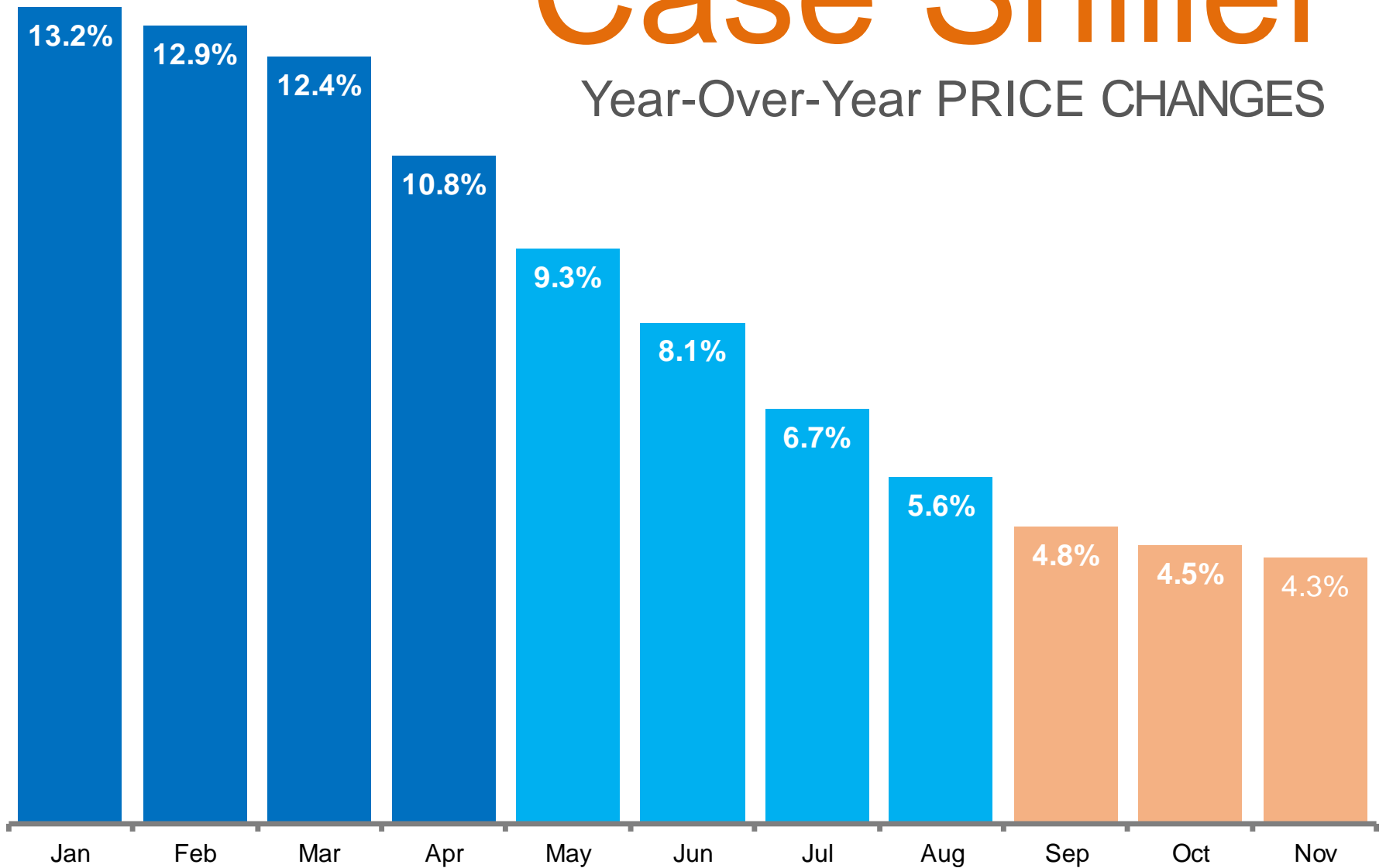


Case Shiller

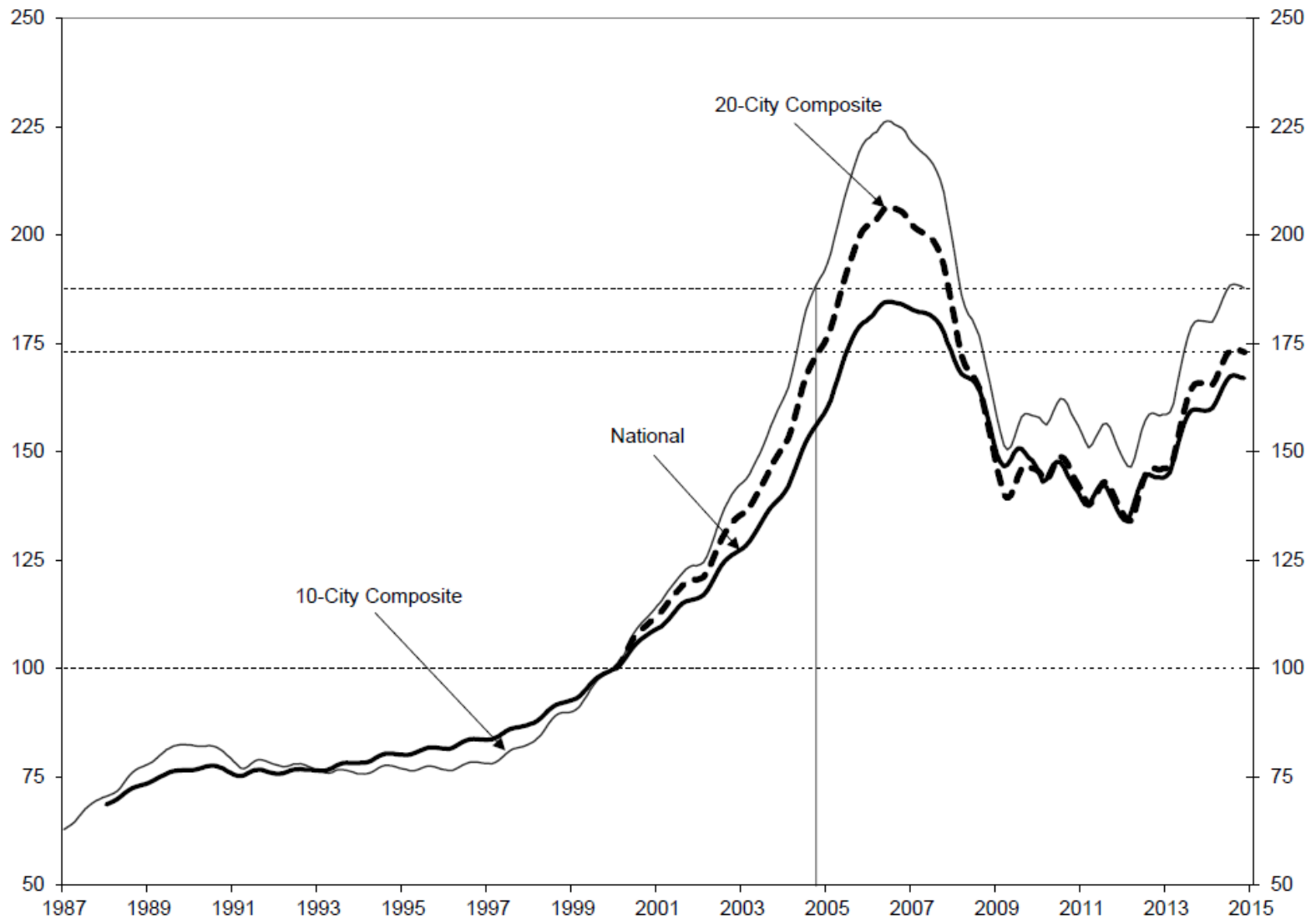


Case Shiller

Year-Over-Year PRICE CHANGES



S&P Case-Shiller Home Price Indices



35%

Percentage of Distressed Property Sales

January 2012 - Today

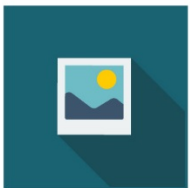
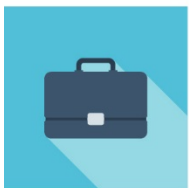
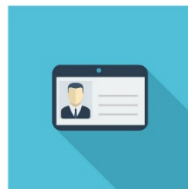
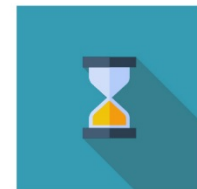
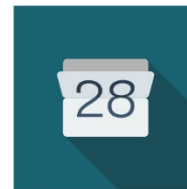
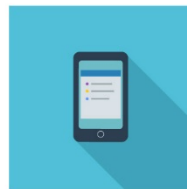
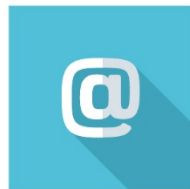
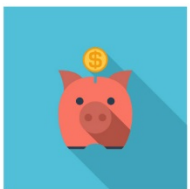
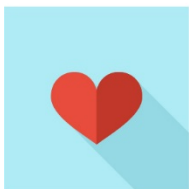
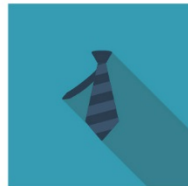
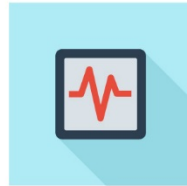
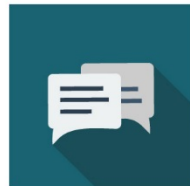
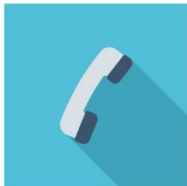
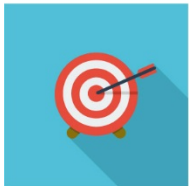
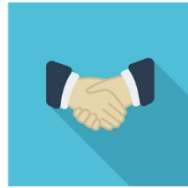
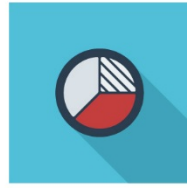
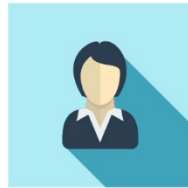
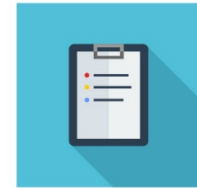
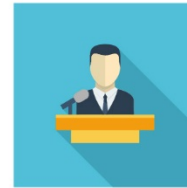
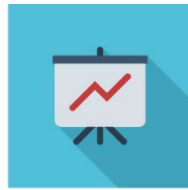
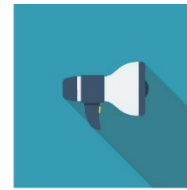
14%

11%

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2012
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2013
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2014

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