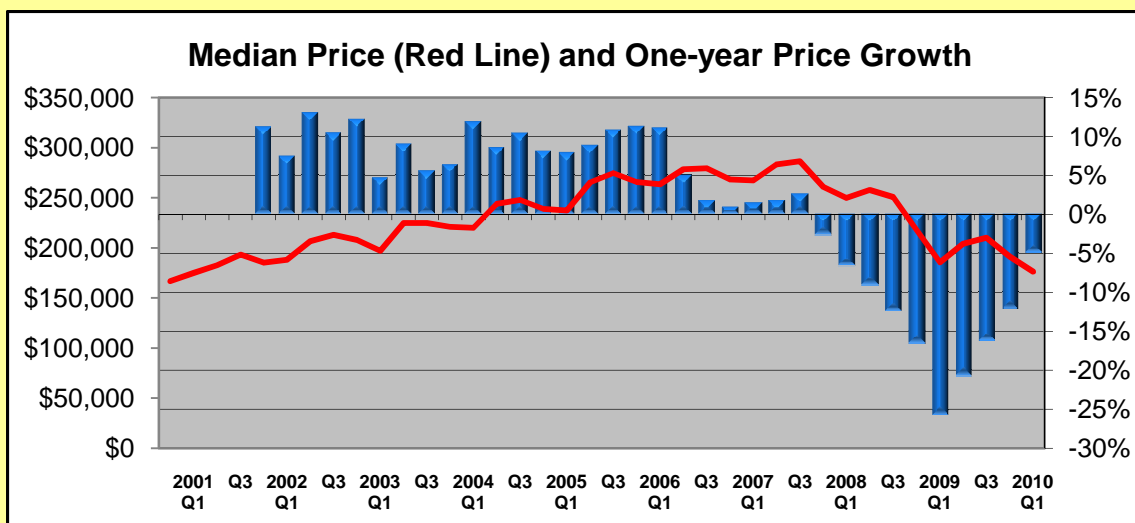


Chicago-Naperville-Joliet Area Local Market Report, First Quarter 2010

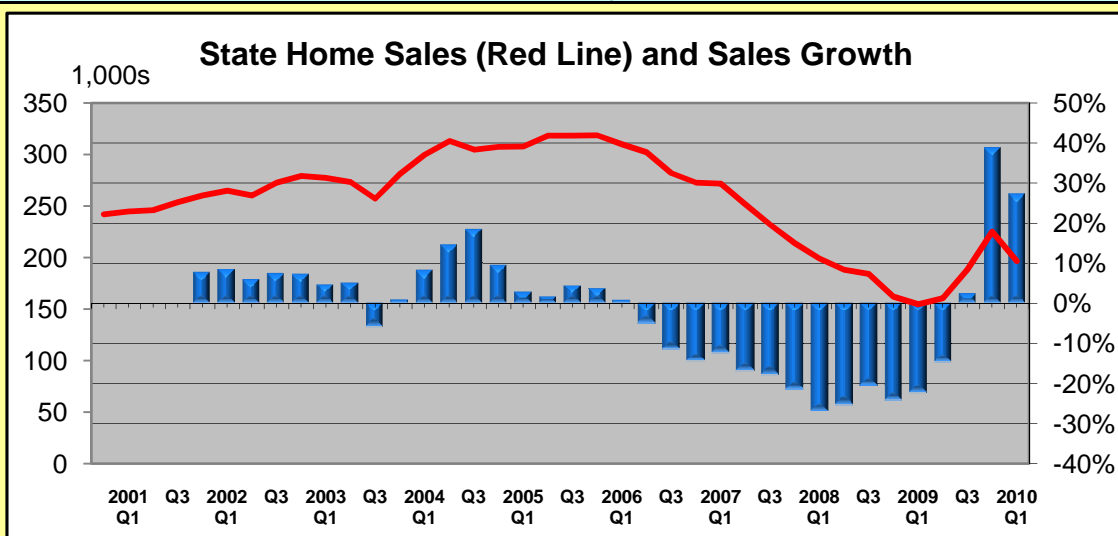


Today's Market...



	Chicago	U.S.	Local Trend
Price Activity			
Current Median Home Price (2010 Q1)	\$176,400	\$166,367	Prices are still down from a year ago, but the trend is improving
1-year (4-quarter) Appreciation (2010 Q1)	-5.0%	-0.8%	
3-year (12-quarter) Appreciation (2010 Q1)	-34.0%	-22.3%	
3-year (12-quarter) Housing Equity Gain	-\$90,900	-\$47,700	The local market price slump wiped out most of the equity gained during the housing boom
7-year (28 quarters) Housing Equity Gain	-\$20,700	-\$833	
9-year (36 quarters) Housing Equity Gain	\$1,100	\$22,367	
Conforming Loan Limit*	\$417,000	\$729,250	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$410,000	\$417,000	
Local Median to Conforming Limit Ratio	42%	not comparable	

*Note: the 2009 loan limits for FHA and the GSEs were extended through 2010.

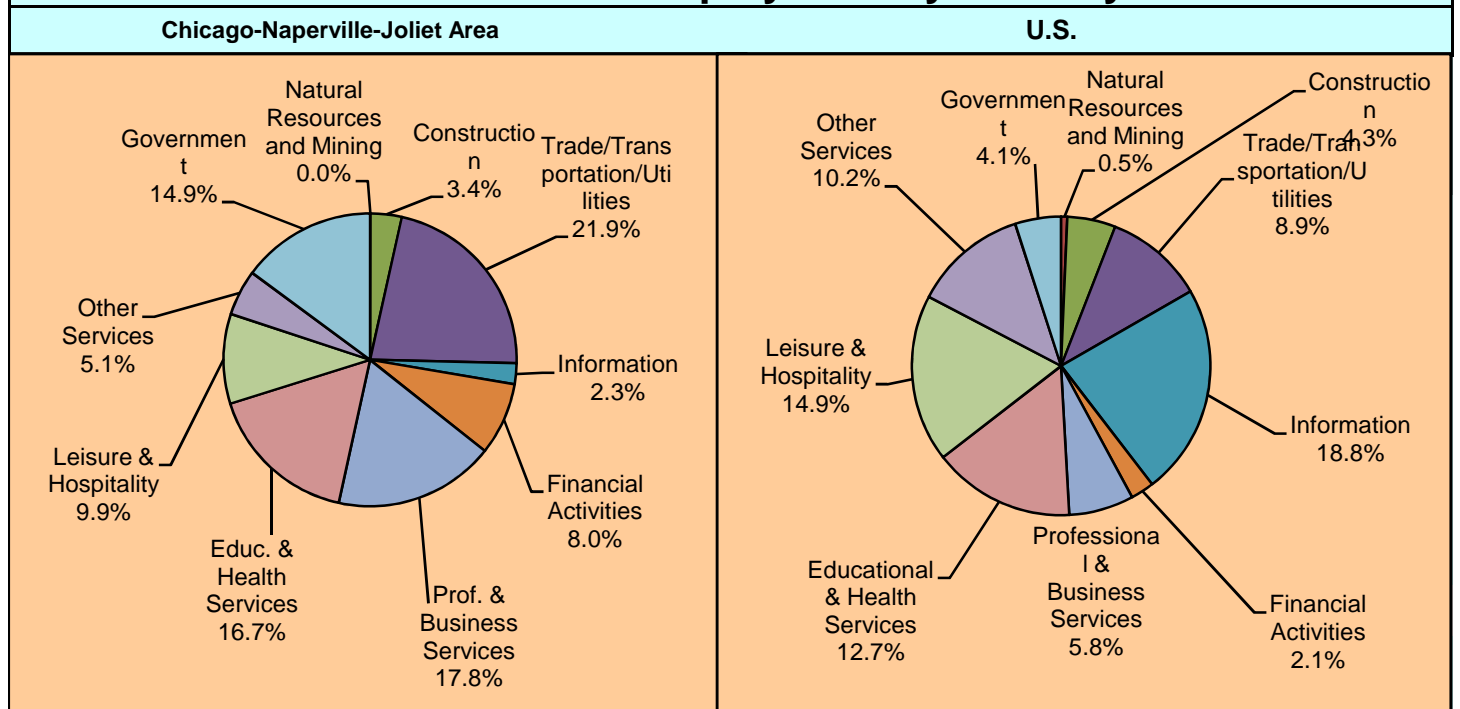


Home Sales	Illinois	U.S.	
State Existing Home Sales (2010 Q1 vs 2009 Q1)	27.1%	11.4%	Sales are much stronger than a year ago, but growth is slowing

Drivers of Local Supply and Demand...

Local Economic Outlook	Chicago	U.S.	
12-month Job Change (Apr)	-84,500	Not Comparable	Job losses are a problem and will weigh on demand, but layoffs are declining which could help buyer confidence
12-month Job Change (Mar)	-110,800	Not Comparable	
36-month Job Change (Apr)	-285,000	Not Comparable	Chicago's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Apr)	10.7%	9.9%	
Year-ago Unemployment Rate	9.8%	8.9%	Weak, but better than most markets
1-year (12 month) Job Growth Rate	-2.3%	-3.7%	

Share of Total Employment by Industry



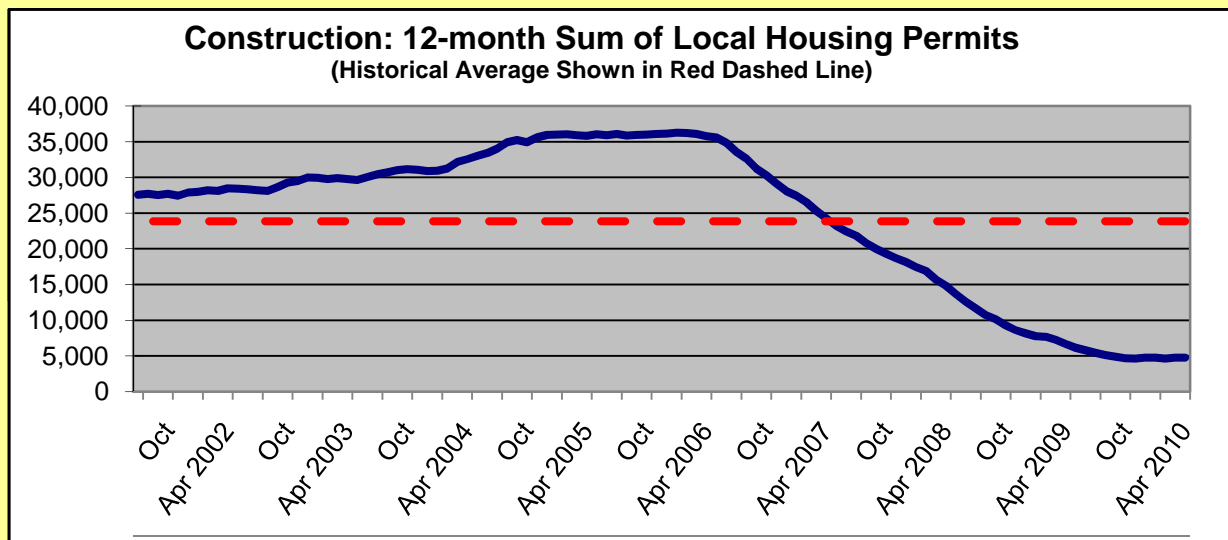
12-month Employment Change by Industry in the Chicago-Naperville-Joliet Area

Natural Resources/Mining/Construction	NA	Prof. & Business Services	-18,600
Natural Resources and Mining	-100	Educ. & Health Services	11,900
Construction	-23,100	Leisure & Hospitality	-7,800
Trade/Transportation/Utilities	-15,800	Other Services	-5,900
Information	-3,300	Government	-1,400
Financial Activities	-7,000		

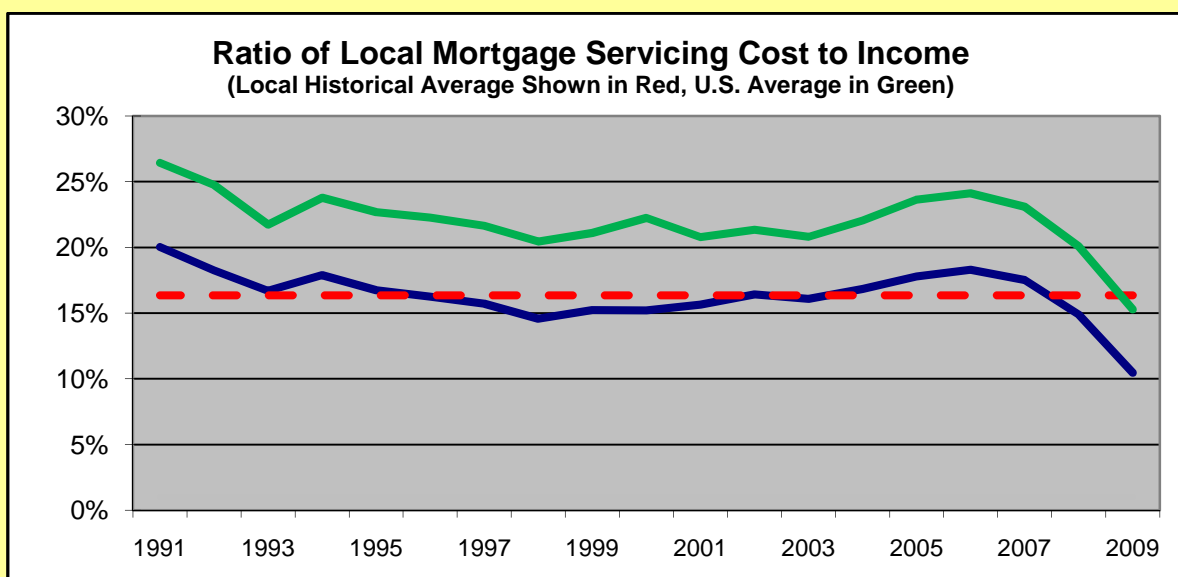
State Economic Activity Index	Illinois	U.S.	
12-month change (2010 - Apr)	-2.6%	-0.3%	The economy of Illinois is weaker than the rest of the nation, but improved modestly from last month
36-month change (2010 - Apr)	-8.1%	-4.1%	

Construction

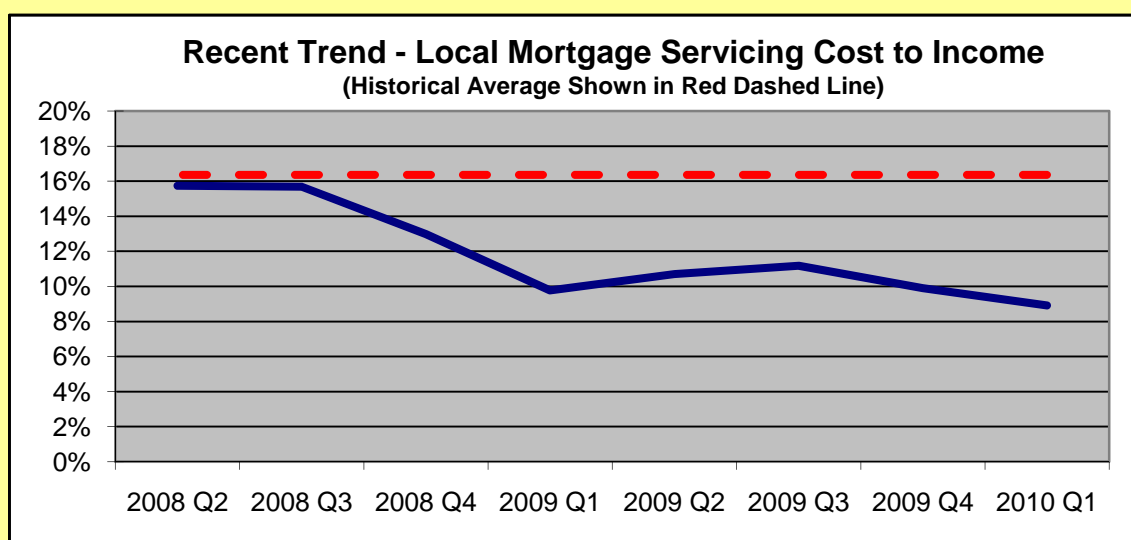
Local Fundamentals	Chicago	U.S.	
12-month Sum of 1-unit Building Permits through Apr 2010	4,748	not comparable	The current level of construction is 80.1% below the long-term average
Long-term average for 12-month Sum of 1-Unit Building Permits	23,867	not comparable	Excess supply reduction could result in price escalation over the longer-term if, in the future, there is a rapid and robust increase in demand
Single-Family Housing Permits (Apr 2010) 12-month sum vs. a year ago	-28.8%	0.8%	Construction is down from last year, but appears to have bottomed.



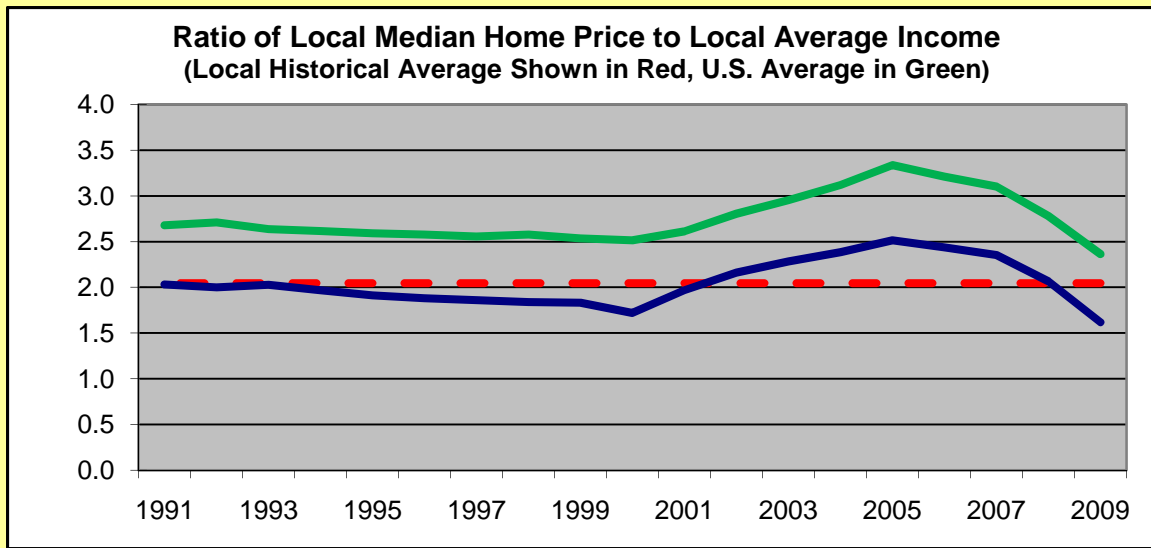
Affordability



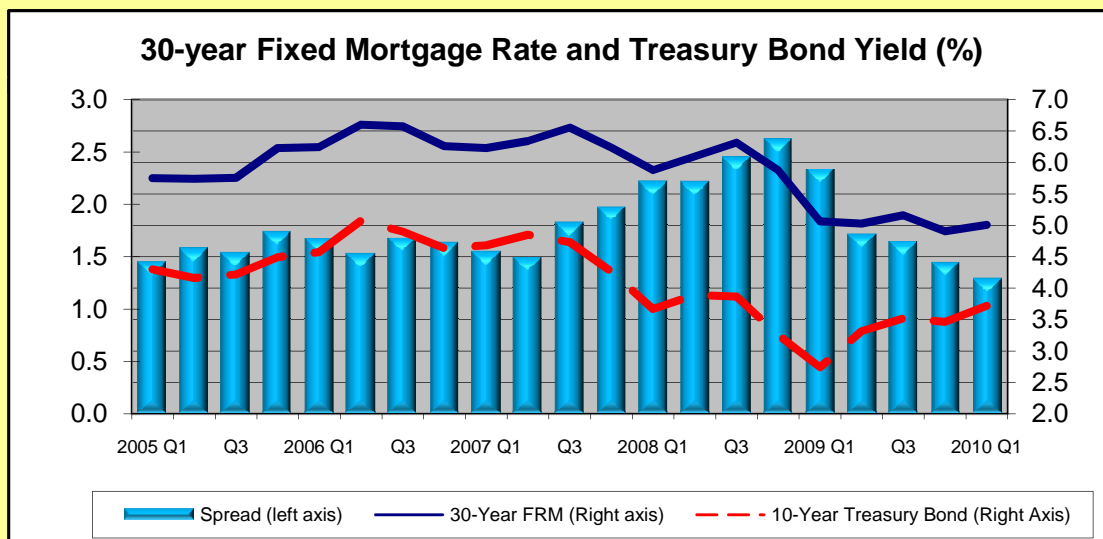
Monthly Mortgage Payment to Income	Chicago	U.S.	
Ratio for 2008	10.5%	15.3%	Historically strong and an improvement over the fourth quarter of 2009
Ratio for 2010 Q1	8.9%	14.3%	
Historical Average	16.4%	22.6%	More affordable than most markets



Median Home Price to Income	Chicago	U.S.	
Ratio for 2009	1.6	2.4	Local affordability has improved and is below the historical average
Ratio for 2010 Q1	1.4	2.2	
Historical Average	2.0	2.7	Affordable compared to most markets

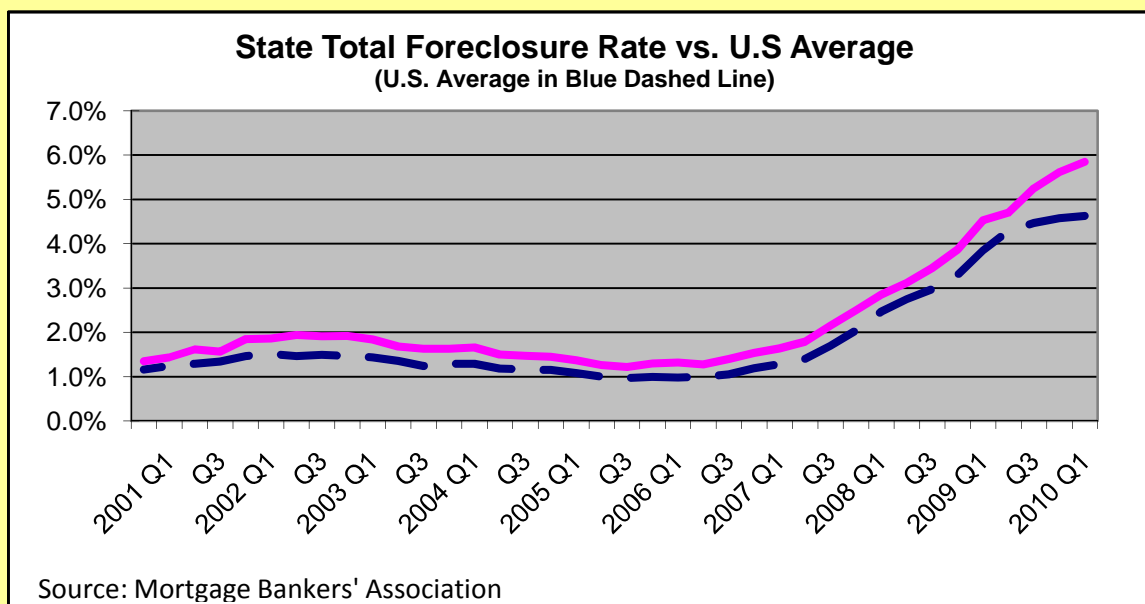


The Mortgage Market



Signs of economic strength during the first quarter pressed up on the 10-year Treasury yield, while Fed purchases of mortgage backed securities helped to keep long-term mortgage rates low. The spread between the 30-year fixed rate mortgage and the 10-year Treasury continued to shrink through the first quarter of 2010 as a result. In the first two months of the second quarter, new concerns about domestic employment growth and international banking issues have sent investors clamoring to long-term Treasuries for safety, easing inflation concerns (temporarily) and sending the yield sliding. Private demand for mortgage backed securities rose in wake of the Treasury's cessation of its mortgage purchase program, muting upward pressure on long-term mortgage rates. Figures for the second quarter, due out in a few months, will likely show a flat or slightly wider spread between the 10-year Treasury and 30-year FRM. The debt crisis in Greece and fear of a contagion have caused long-term Treasury yields to tumble as nervous investors sought a shelter. The decline in the Treasury yield has not been matched by moderating mortgage rates leading to a increase in the spread.

Looking Deeper....



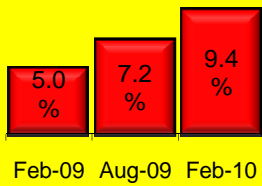
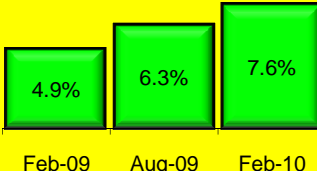
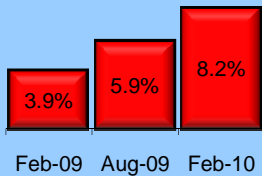
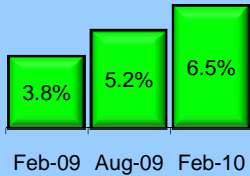
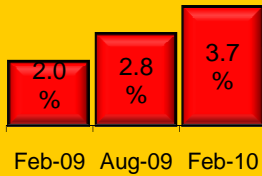
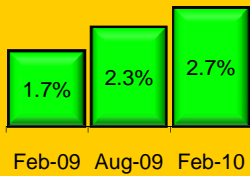
Foreclosures by Type

Monthly Market Data - February 2010	Chicago	U.S.	Delinquencies by Type
Market Share: <u>Prime (blue), Alt-A (green), and Subprime (red)</u>			The Chicago market has a lower share of subprime loans than the average market, but rising prime foreclosures are becoming a problem
PRIME: Foreclosure + REO Rate			There was a substantial increase versus August of this year
SUBPRIME: Foreclosure + REO Rate			The current local rate is high compared with the current U.S. average
ALT-A: Foreclosure + REO Rate			There has been little change locally compared to August
			The current local rate is high given the U.S. average
			A large local increase occurred compared to August of last year
			The current rate for Chicago is high compared with the up-to-date U.S.

The "foreclosure + REO rate" is the number of mortgages, by metro area, that are either in the foreclosure process or have completed the foreclosure process and are owned by banks divided by the total number of mortgages for that area.

Source: First American CoreLogic, LoanPerformance data

Prime Foreclosures and Delinquencies in Process

Monthly Market Data - February 2010	Chicago	U.S.	
Prime: 60-day Delinquent	 <p>5.0% 7.2% 9.4%</p> <p>Feb-09 Aug-09 Feb-10</p>	 <p>4.9% 6.3% 7.6%</p> <p>Feb-09 Aug-09 Feb-10</p>	The share of local 60-day delinquencies rose suggesting that the 90-day delinquency rate is likely to rise in the near future
Prime: 90-day Delinquent	 <p>3.9% 5.9% 8.2%</p> <p>Feb-09 Aug-09 Feb-10</p>	 <p>3.8% 5.2% 6.5%</p> <p>Feb-09 Aug-09 Feb-10</p>	Chicago's 90-day delinquency rate climbed faster than the national average suggesting a bulge of foreclosures in the future
Prime: Foreclosure + REO Rate	 <p>2.0% 2.8% 3.7%</p> <p>Feb-09 Aug-09 Feb-10</p>	 <p>1.7% 2.3% 2.7%</p> <p>Feb-09 Aug-09 Feb-10</p>	Rising 60 and 90-day delinquency rates will press up on local prime foreclosures rates in the near future.
Source: First American CoreLogic, LoanPerformance data			

Geographic Coverage

The Chicago area referred to in this report covers the geographic area of the Chicago-Naperville-Joliet metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Cook County, Cook County, DeKalb County, DeKalb County, DuPage County, DuPage County, Grundy County, Grundy County, Jasper County, Jasper County, Kane County, Kane County, Kendall County, Kendall County, Kenosha County, Kenosha County, Lake County, Lake County, Lake County, Lake County, McHenry County, McHenry County, Newton County, Newton County, Porter County, Porter County, Will County, and Will County

More information on the OMB's geographic definitions can be found at http://www.whitehouse.gov/omb/infoereg_statpolicy/