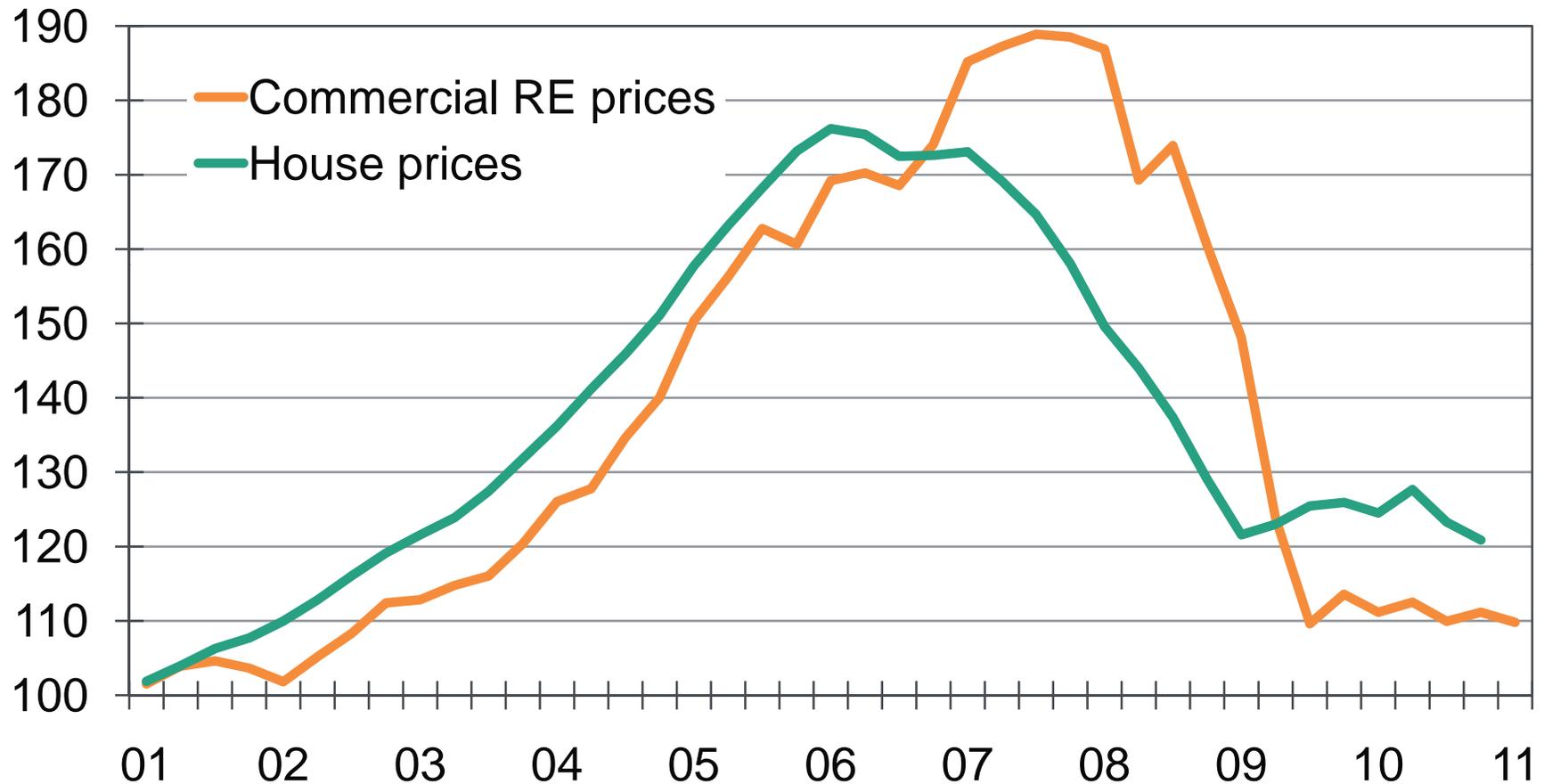


# Policy Tailwinds For RE Fade

MARK ZANDI, CHIEF ECONOMIST

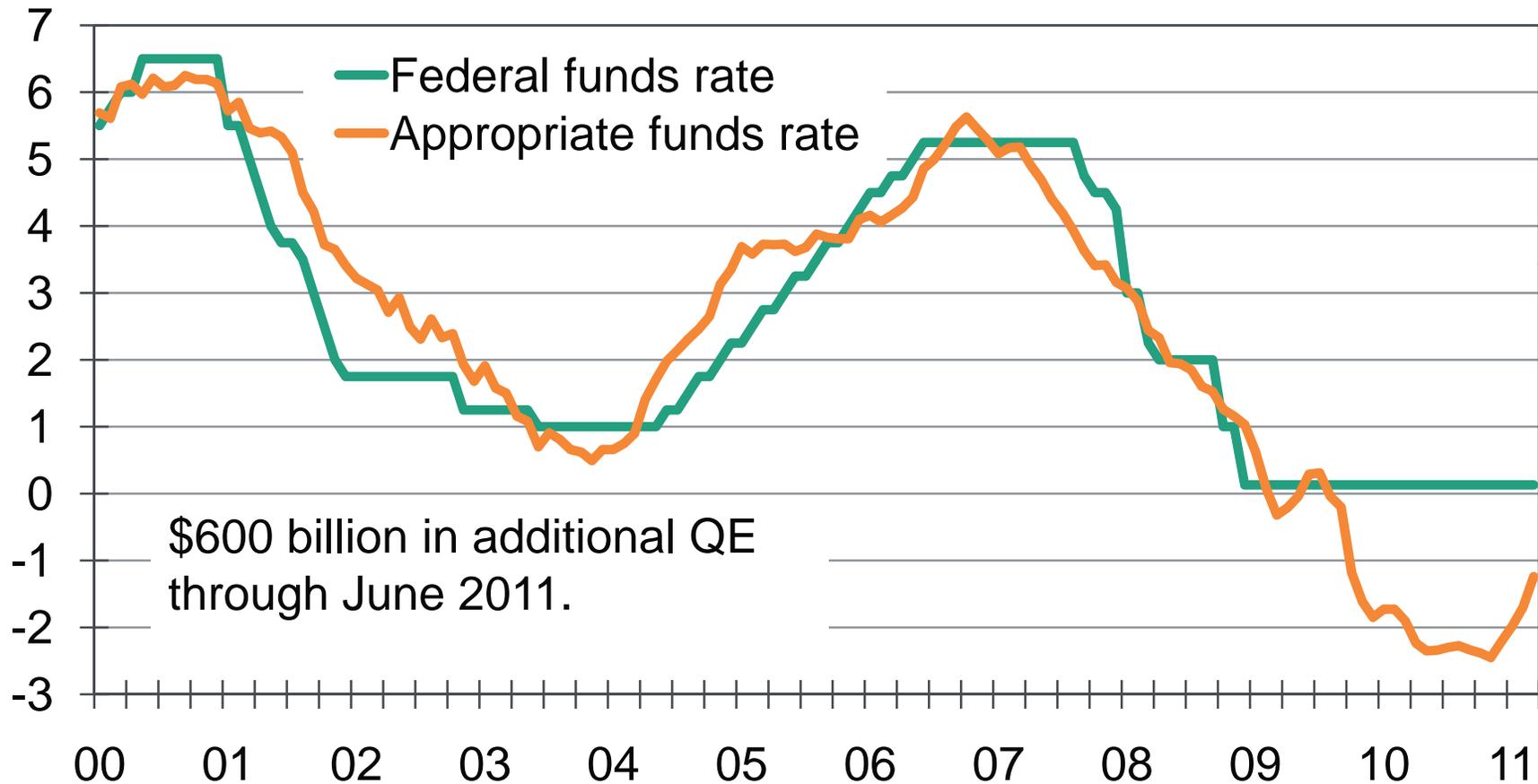
# Real Estate Markets are Near Bottom

Repeat-sales indices: 2000Q4=100



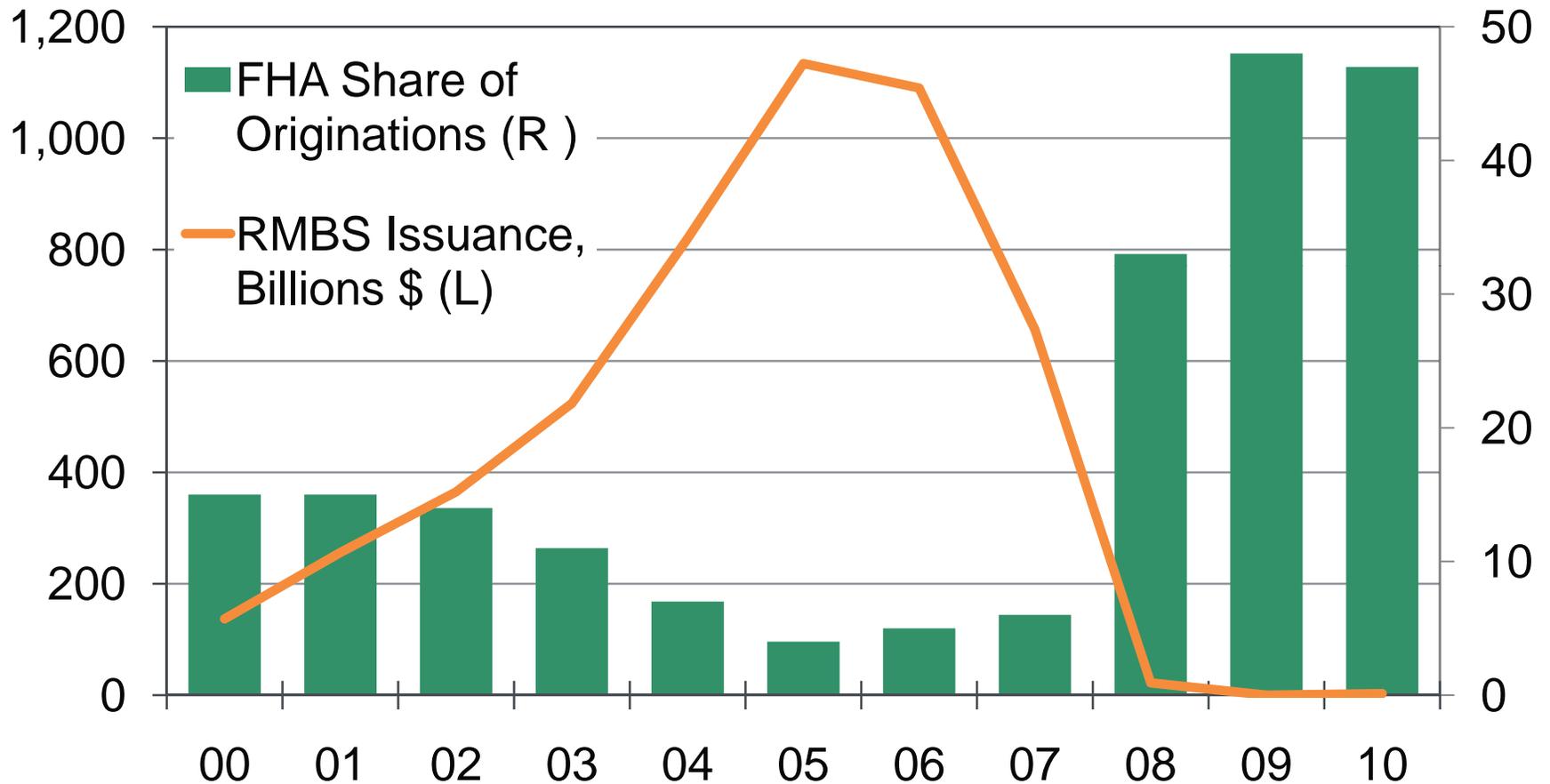
Sources: Moody's Investor Service, REAL, Fiserv, Moody's Analytics

# Monetary Stimulus Will Soon Abate



Sources: Federal Reserve, Moody's Analytics

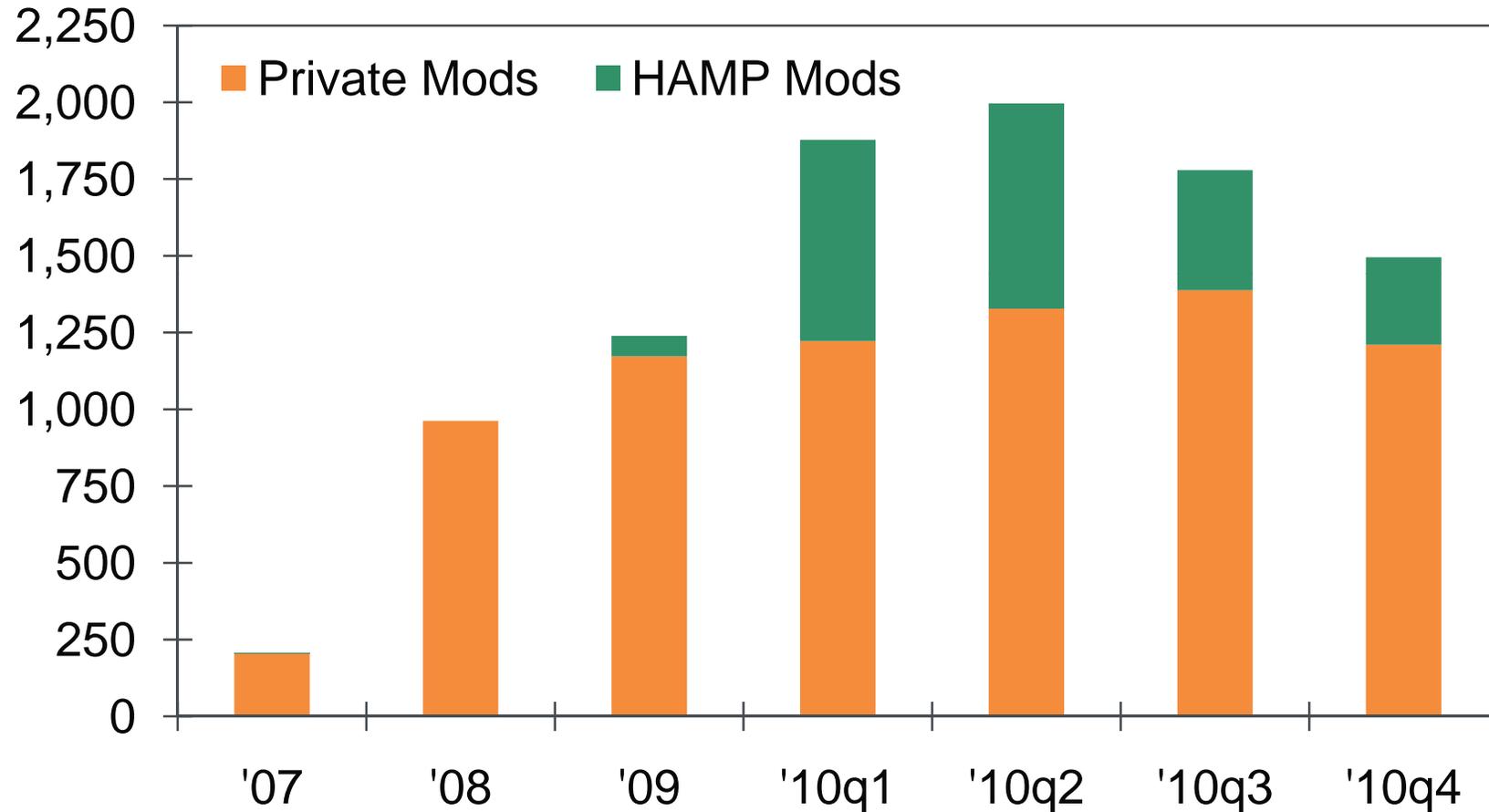
# FHA Lending Has Peaked



Sources: Dealogic, FHA

# Loan Modification Efforts are Set to Wind Down

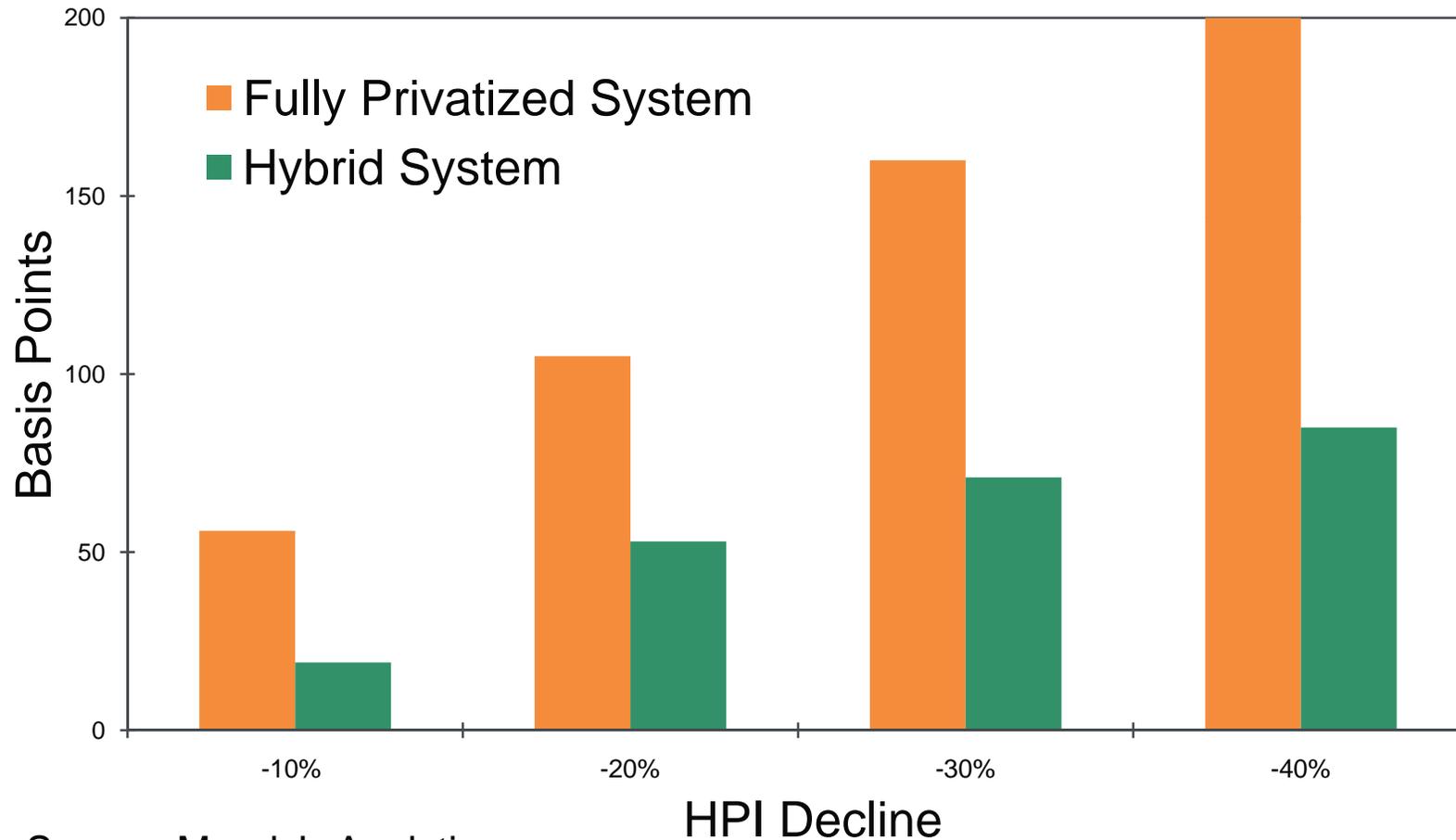
Permanent modifications, Ths., annualized



Sources: Hope Now, Moody's Analytics

# Government Support is Key to Housing Market

*Gfee, Assumptions: 80% LTV, full doc, 750 FICO, 31% DTI, 3% loss limit, 4% government return, 25% private ROE, 10 bp liquidity premium. 25 bp system risk premium*



Source: Moody's Analytics

**MOODY'S**  
ANALYTICS

121 North Walnut Street  
Suite 500  
West Chester, PA 19380  
610.235.5299

[www.economy.com](http://www.economy.com)

