

Charlotte MSA Reality Check

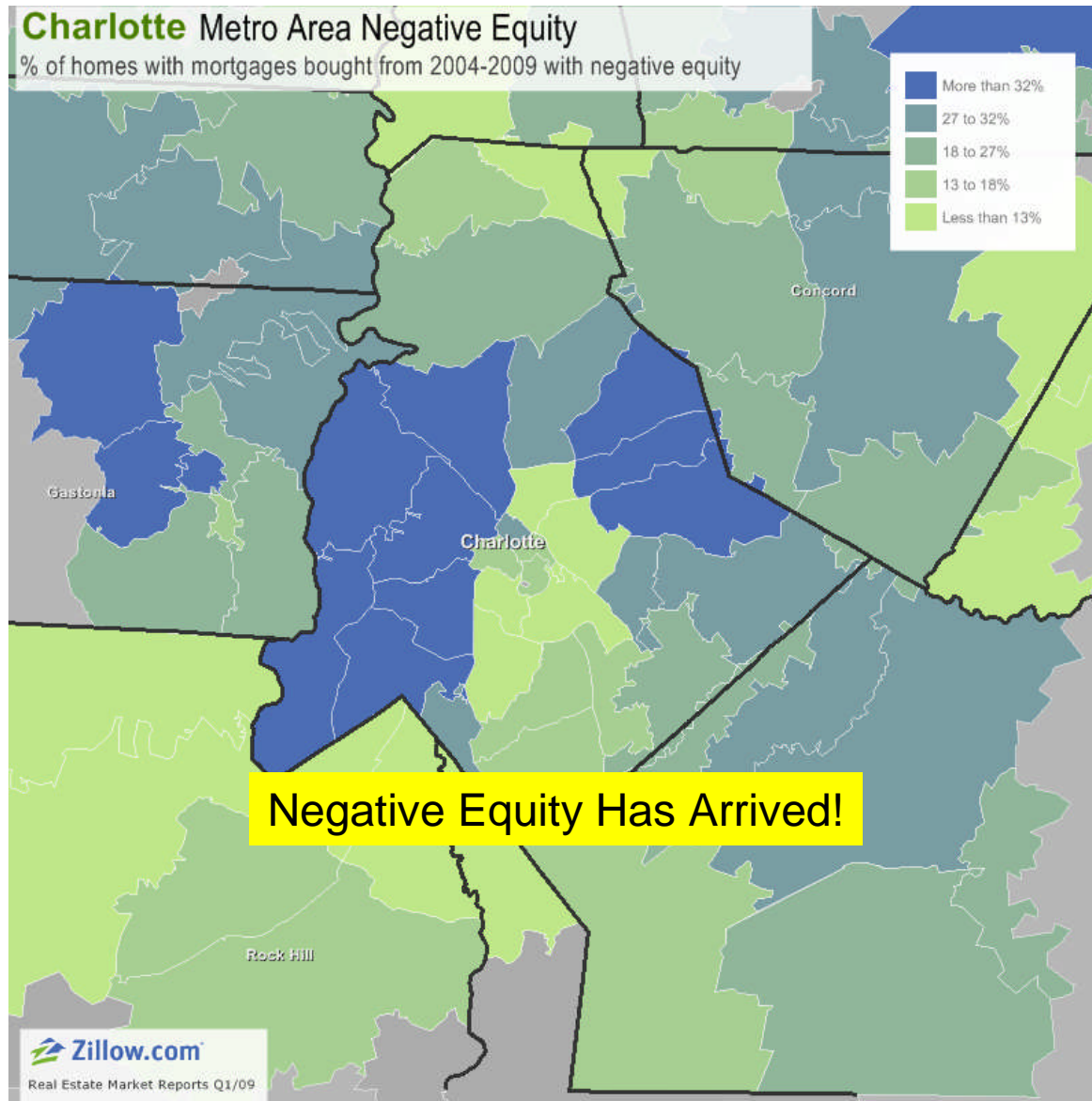
6/30/2009

Subject in Context: Location, Negative Equity, and Foreclosure Maps (Tab 1)

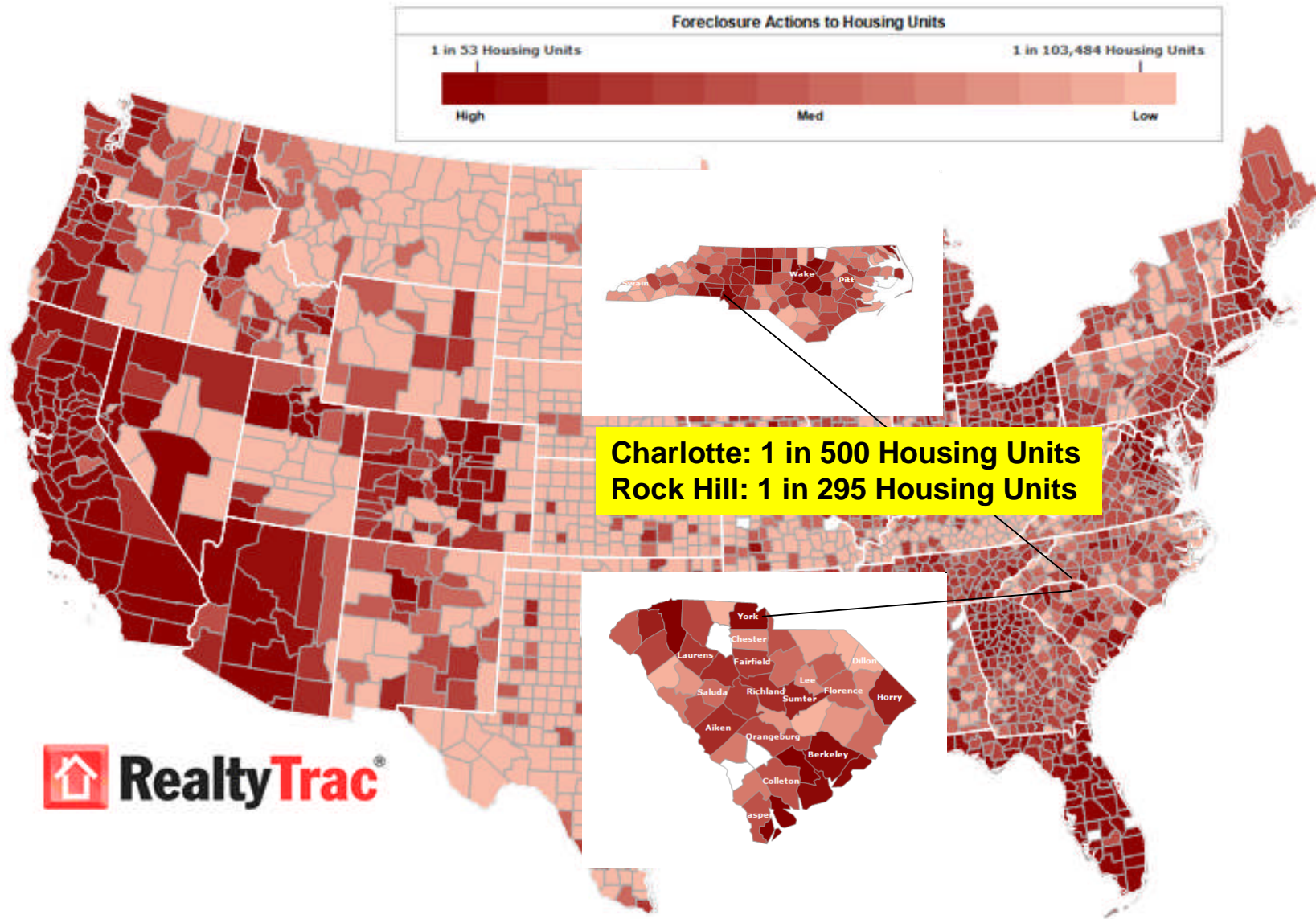
Subject Location In The Charlotte MSA Context
(Exhibit 1, Tab 1)

Not Available for Confidentiality Reasons

Negative Equity in the Charlotte MSA And Subject Project (Exhibit 2, Tab 1)

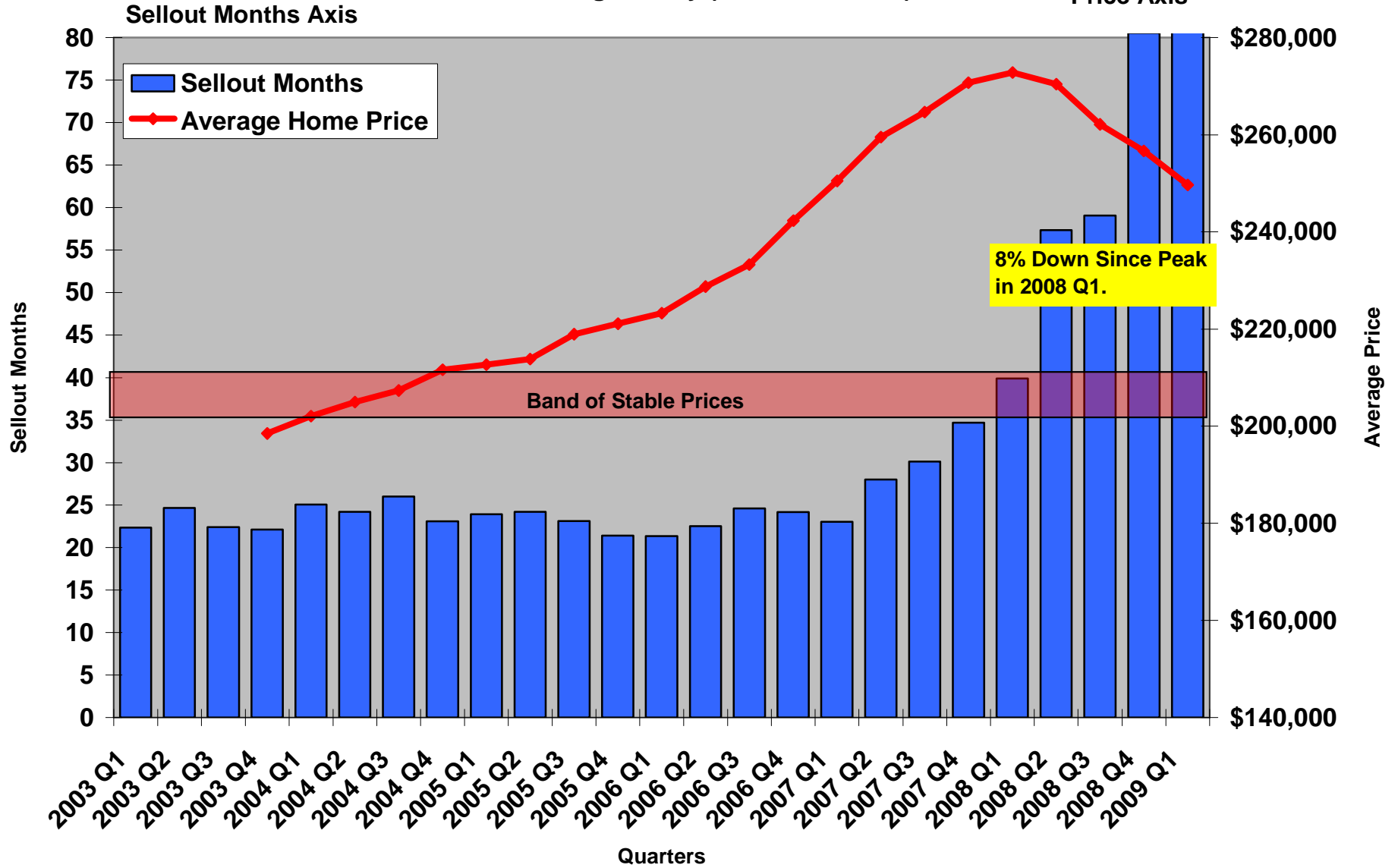


May 2009 Foreclosure Heat Map for Mecklenburg and York Counties (Exhibit 3, Tab 1)

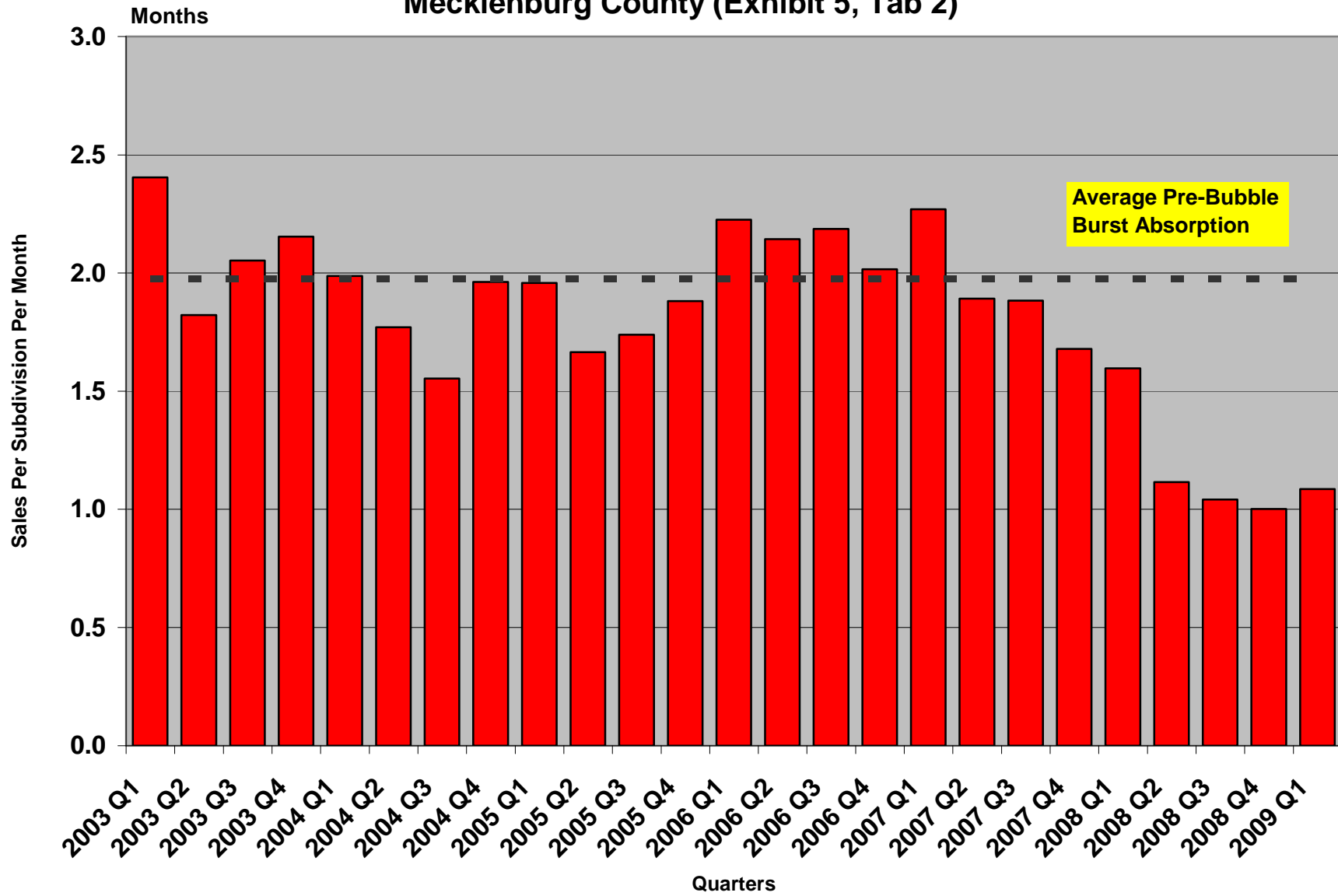


Current New Home Market (Tab 2)

Sellout Months Versus Average New Home Prices After Incentives Mecklenburg County (Exhibit 4, Tab 2)

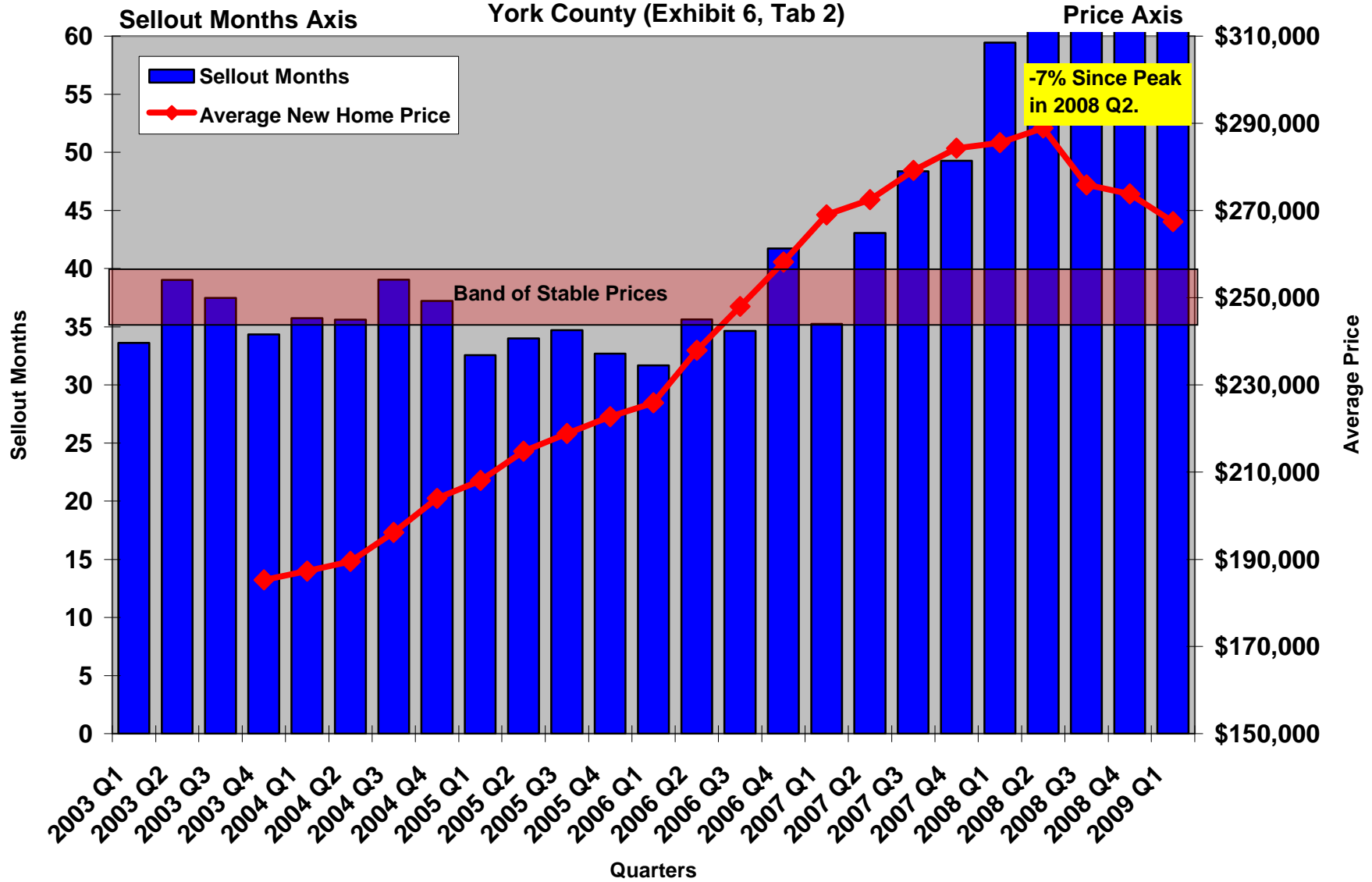


Average Monthly Absorption For New Homes Mecklenburg County (Exhibit 5, Tab 2)

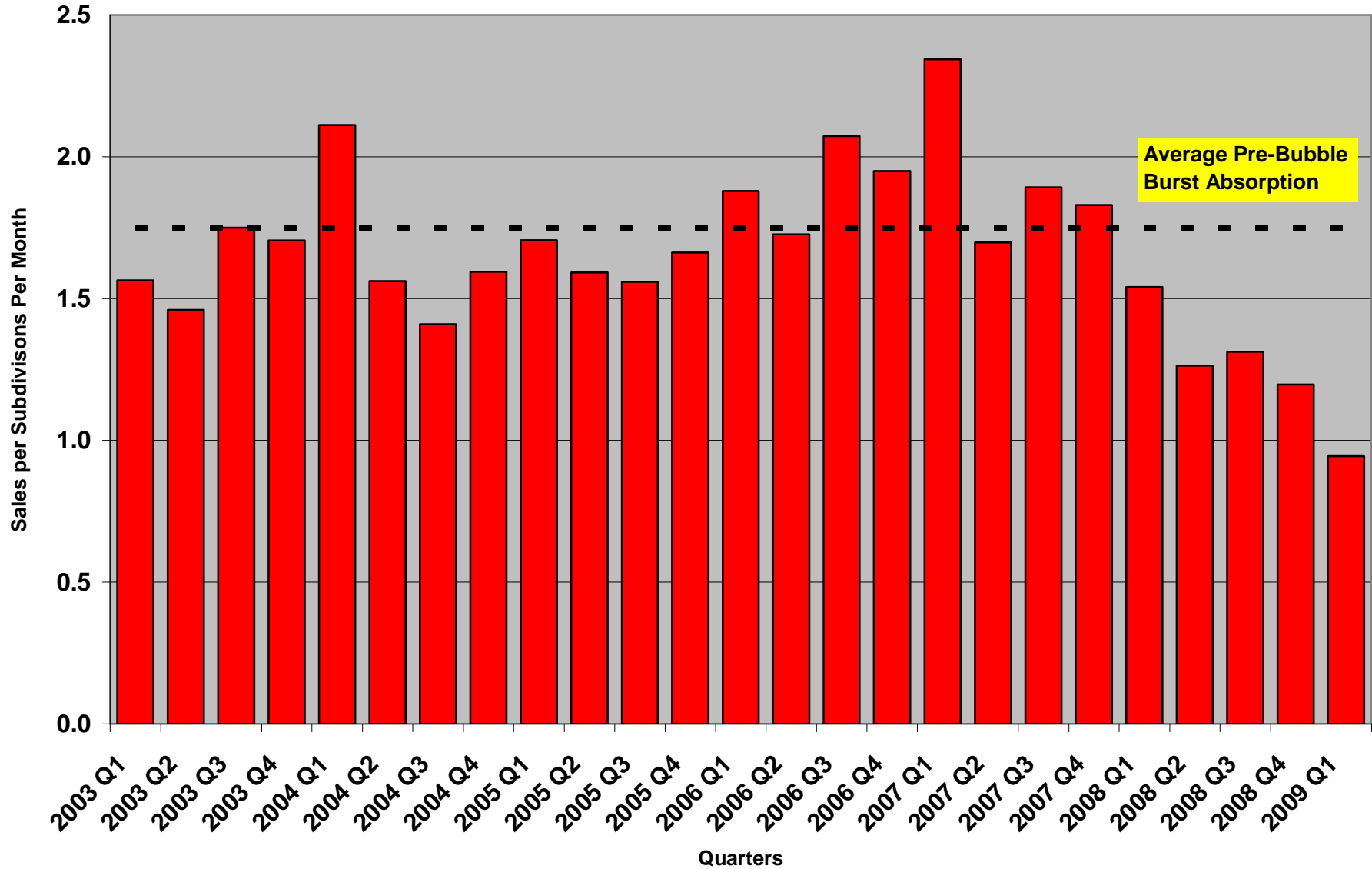


Sellout Months Versus New Home Prices After Incentives

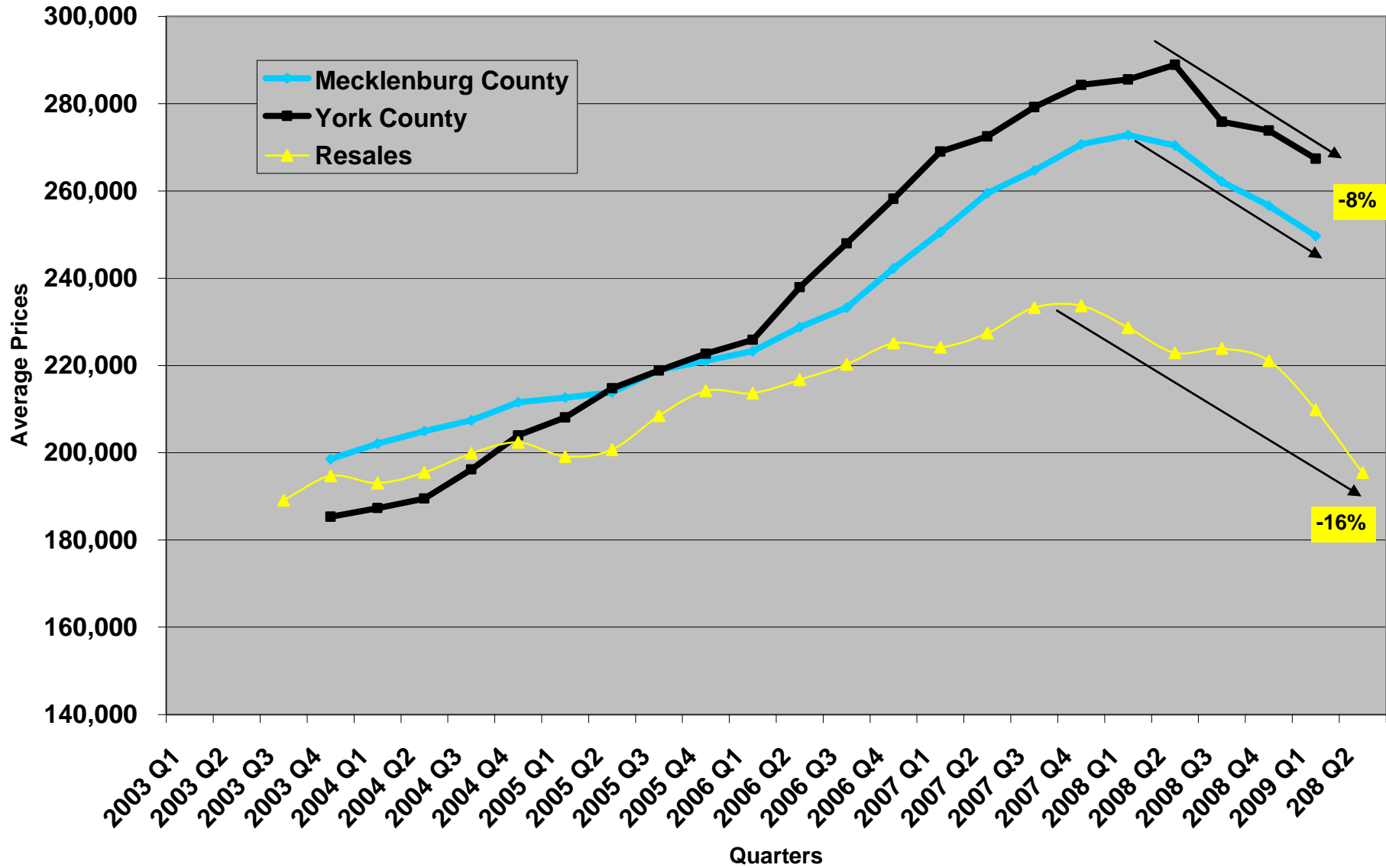
York County (Exhibit 6, Tab 2)



Average Monthly Absorption For New Homes York County (Exhibit 7, Tab 2)

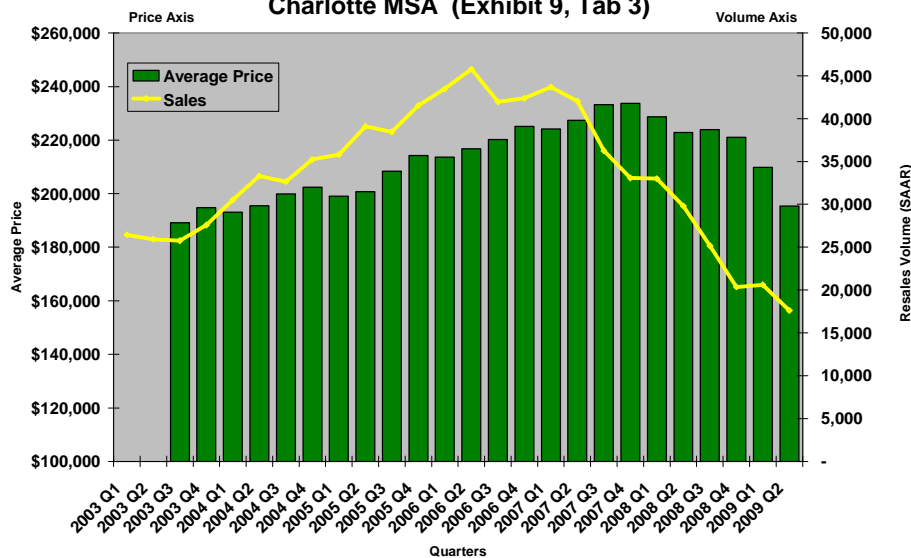


Price Gaps In The Charlotte MSA (Exhibit 8, Tab 2)

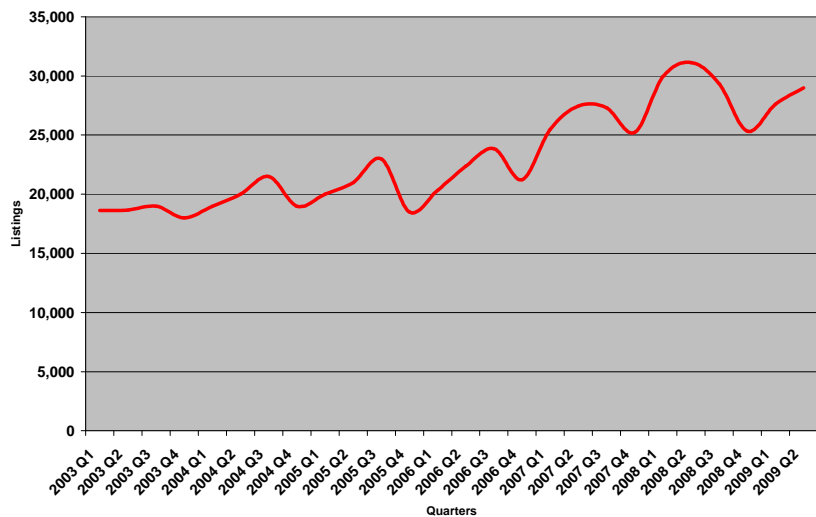


Current Resale Market (Tab 3)

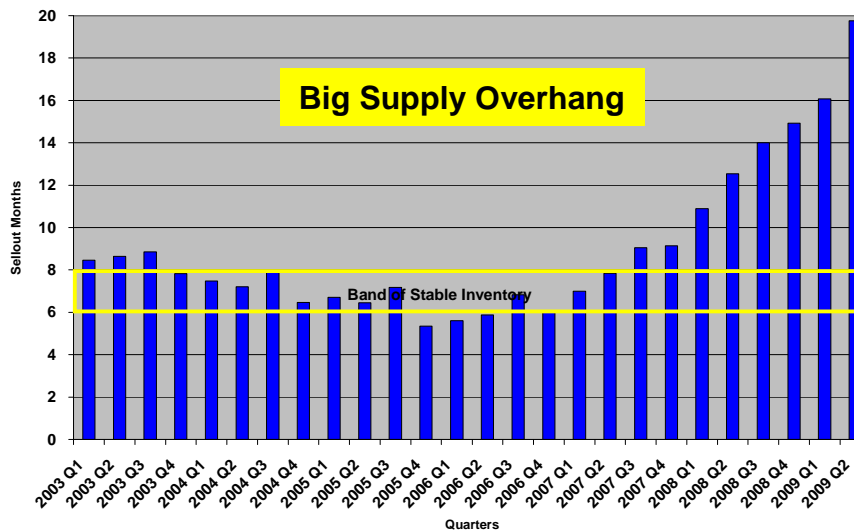
Home Resales Activity And Average Price Charlotte MSA (Exhibit 9, Tab 3)



Listings Volume Charlotte MSA



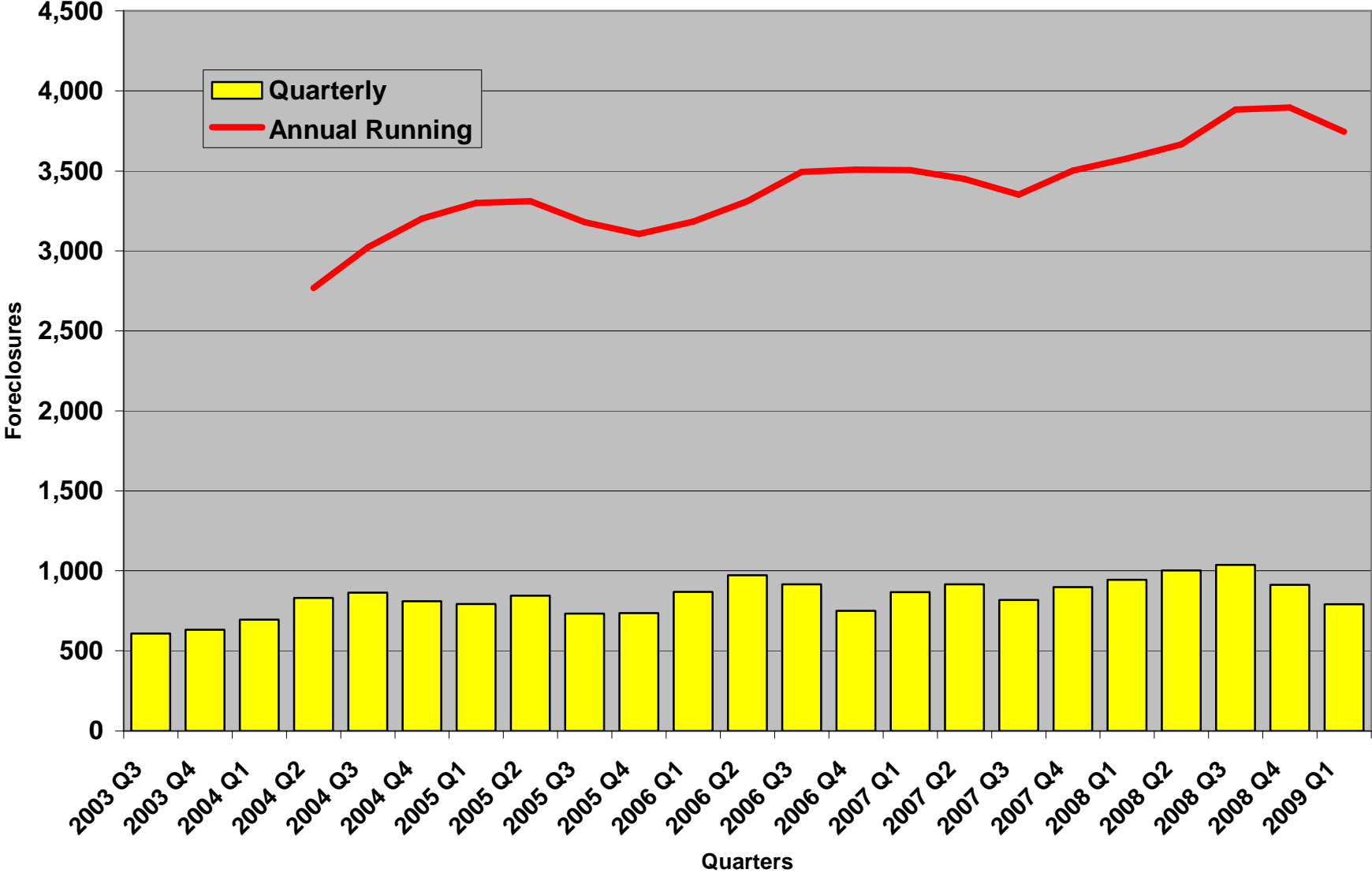
Sellout Months Charlotte MSA



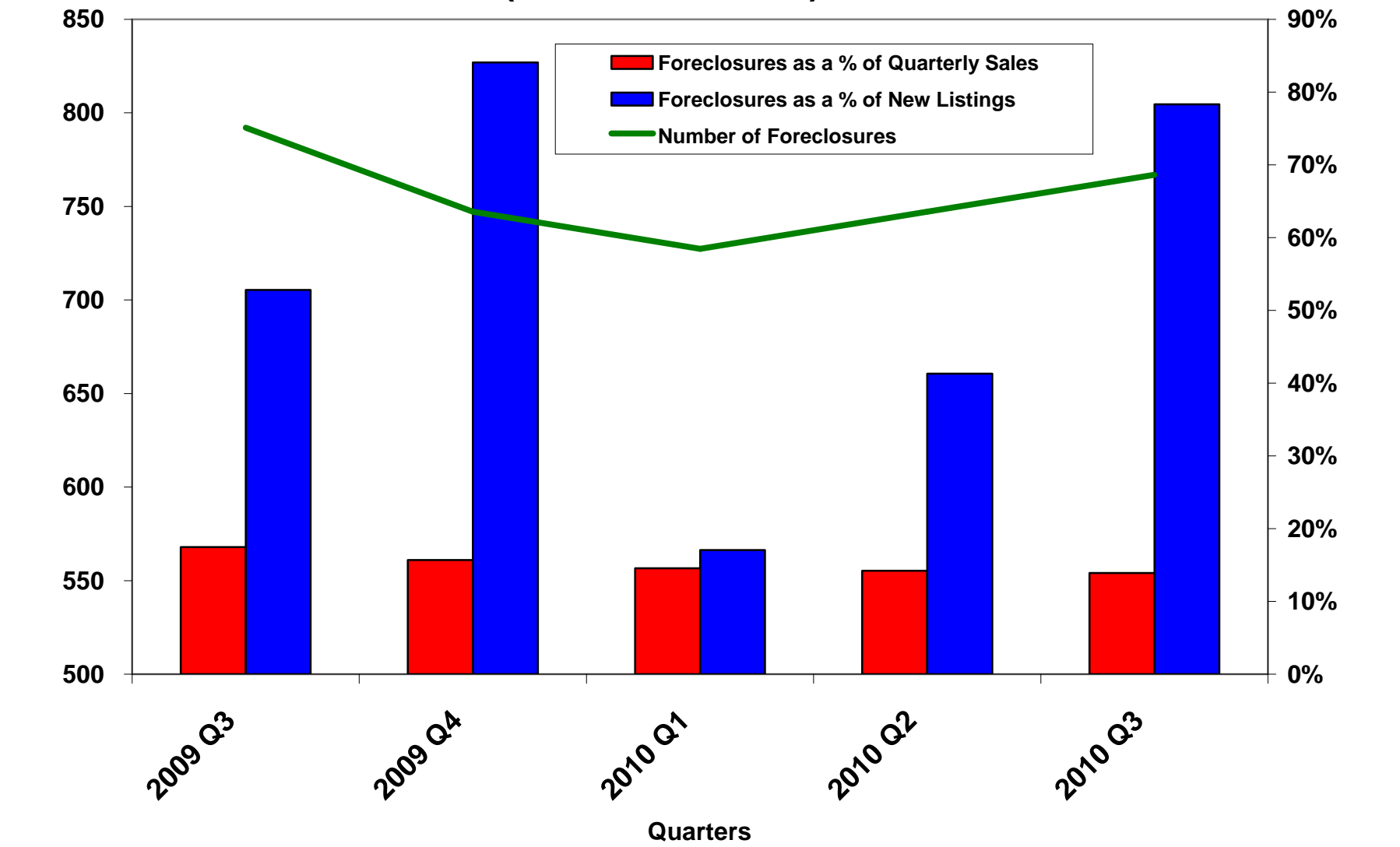
Foreclosure Analysis (Tab 4)

Charlotte MSA Foreclosures (Trustees Deeds)

(Exhibit 10, Tab 4)



Projected Foreclosure Volume In The Charlotte MSA
(Exhibit 11, Tab 4)



New Origination Subprime And Alt-A Impact In The Charlotte MSA (Exhibit 12, Tab 4) Foreclosure Forecast

Projections

	Subprime				Alt-A				Total (Subprime + Alt-A)					
	2004	2005	2006	2007	2004	2005	2006	2007	2004	2005	2006	2007	2005 + 2006	
Total Loans	101270	117606	134178	65362										
Total New Loans Of All Types	35300	40,000	47,400	24,900	35,300	40,000	47,400	24,900	35,300	40,000	47,400	24,900		147,600
Total Resale Loans Of All Types	65970	77,606	86,778	40,462	65,970	77,606	86,778	40,462	65,970	77,606	86,778	40,462		270,816
% Of Total Loans	9%	11%	13%	10%	11%	12%	14%	12%						
Total Number Of Loans	9,114	12,937	17,443	6,536	11,140	14,113	18,785	7,843	20,254	27,049	36,228	14,380		97,911
New Home Loans	3,177	4,400	6,162	2,490	3,883	4,800	6,636	2,988	7,060	9,200	12,798	5,478		34,536
Resale Loans	5,937	8,537	11,281	4,046	7,257	9,313	12,149	4,855	13,194	17,849	23,430	8,902		52,582
NOD's														
Delinquency Rate	50%	50%	50%	50%	40%	40%	40%	40%						
Total Delinquencies	4,557	6,468	8,722	3,268	4,456	5,645	7,514	3,137	9,013	12,113	16,236	6,405		36,073
New Home Delinquencies	1,589	2,200	3,081	1,245	1,553	1,920	2,654	1,195	3,142	4,120	5,735	2,440		12,654
Resale Delinquencies	2,969	4,268	5,641	2,023	2,903	3,725	4,860	1,942	5,871	7,993	10,500	3,965		23,419
Foreclosures														
Foreclosure Rate	50%	50%	50%	50%	40%	35%	35%	35%						
Total Foreclosures	2279	3,234	4,361	1,634	1,782	1,976	2,630	1,098	4,061	5,210	6,991	2,732		15,617
New Home Foreclosures	794	1,100	1,541	623	621	672	929	418	1,416	1,772	2,470	1,041		5,485
Resale Foreclosures	1484	2,134	2,820	1,012	1,161	1,304	1,701	680	2,645	3,438	4,521	1,691		10,132

Impact

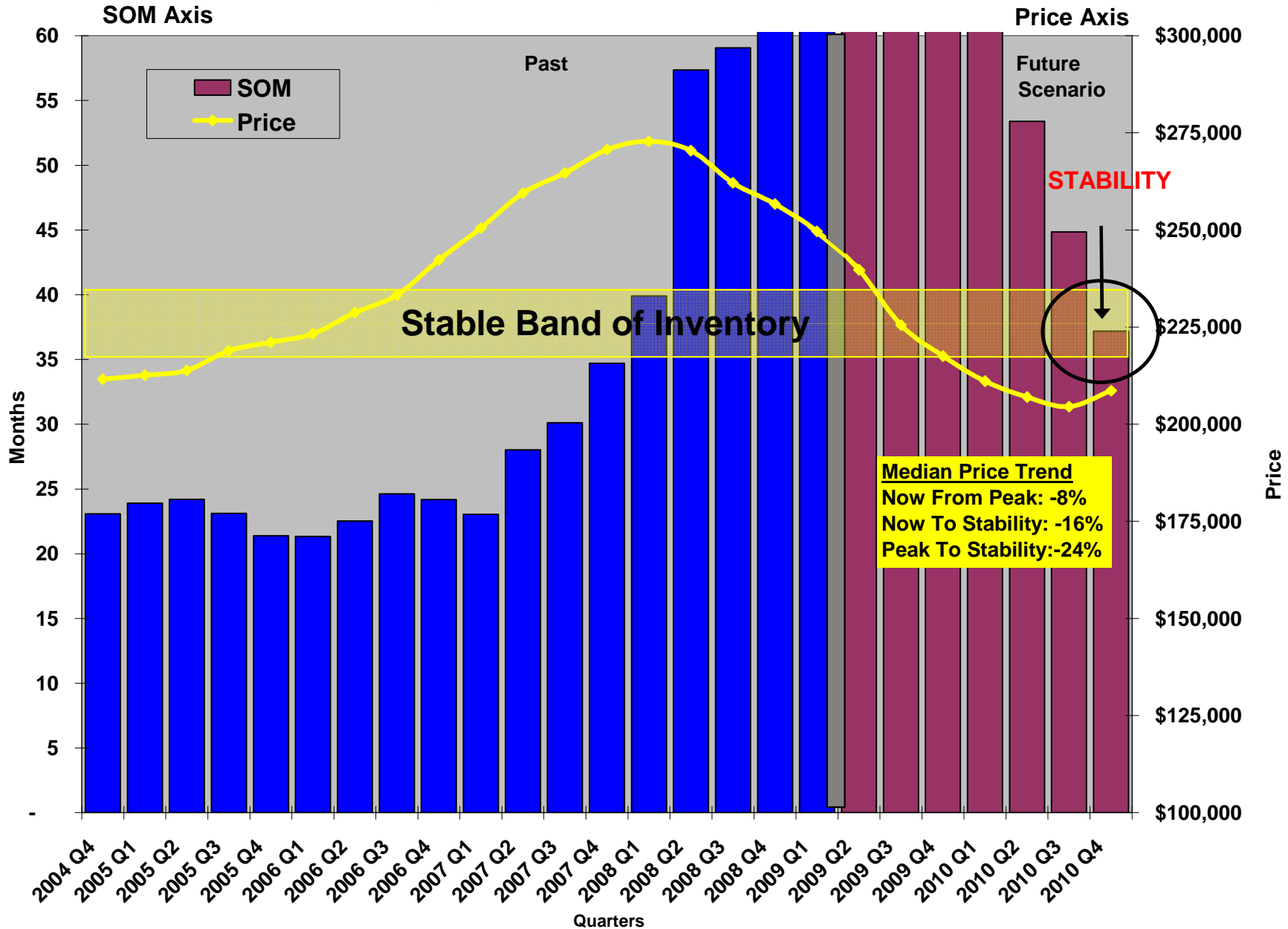
Notices Of Default						
	2004	2005	2006	2007	2008/09	Total
Projected NOD's (See Above)	9,013	12,113	16,236	6,405		43,767
Foreclosures For Projected NOD's (See Above)	4,061	5,210	6,991	2,732		18,994
Foreclosure's So Far	3,201	3,106	3,507	3,502	4,689	18,005
Remaining Foreclosures						989

Sources: DataQuick, Metrostudy, Credit Suisse, Orange County Register, More Data, CarolinaHome.Com, HousingEcon.com

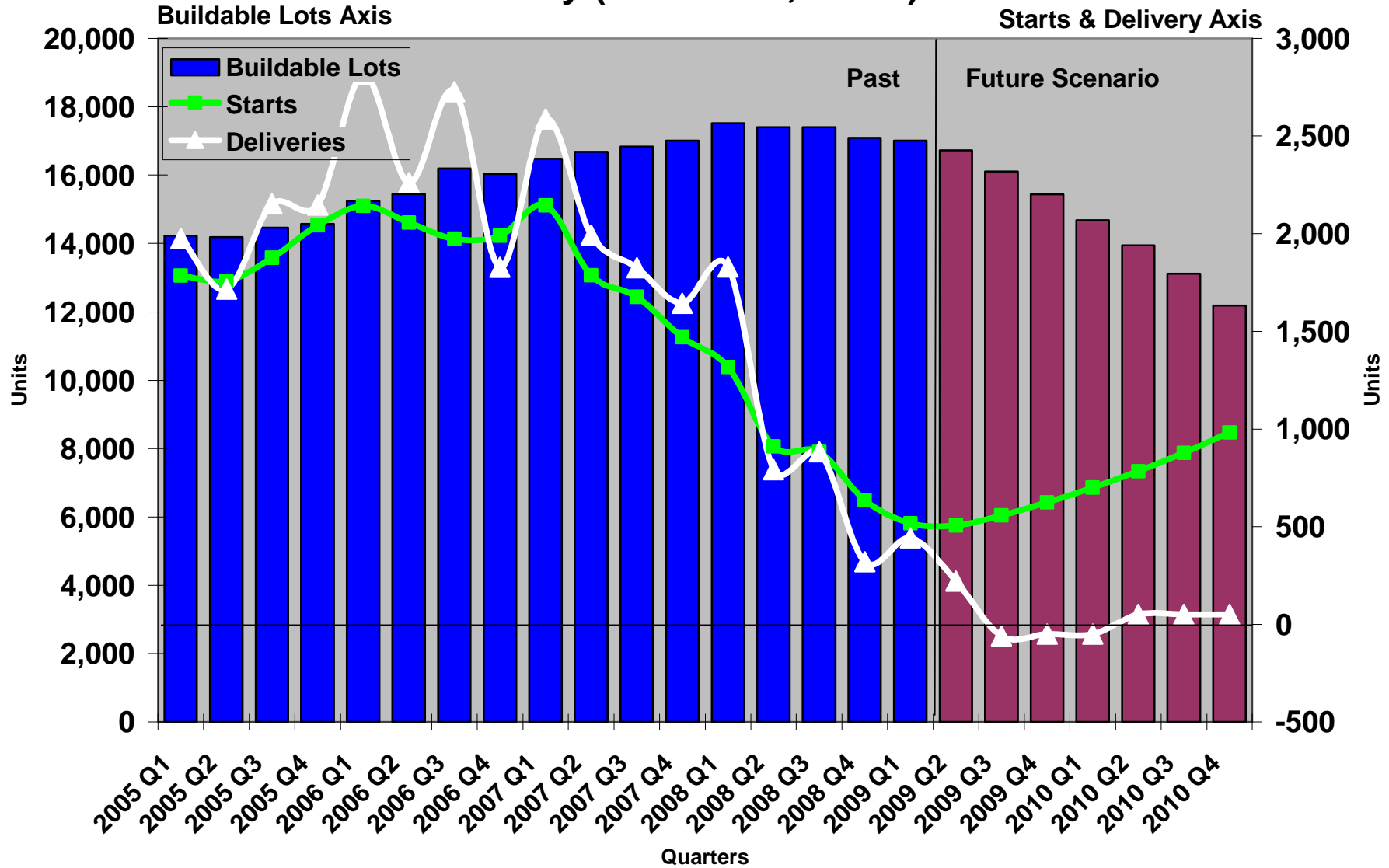
Stability Scenarios: Short Term Pricing Forecast (Tab 5)

Sellout Months Stabilization Scenario

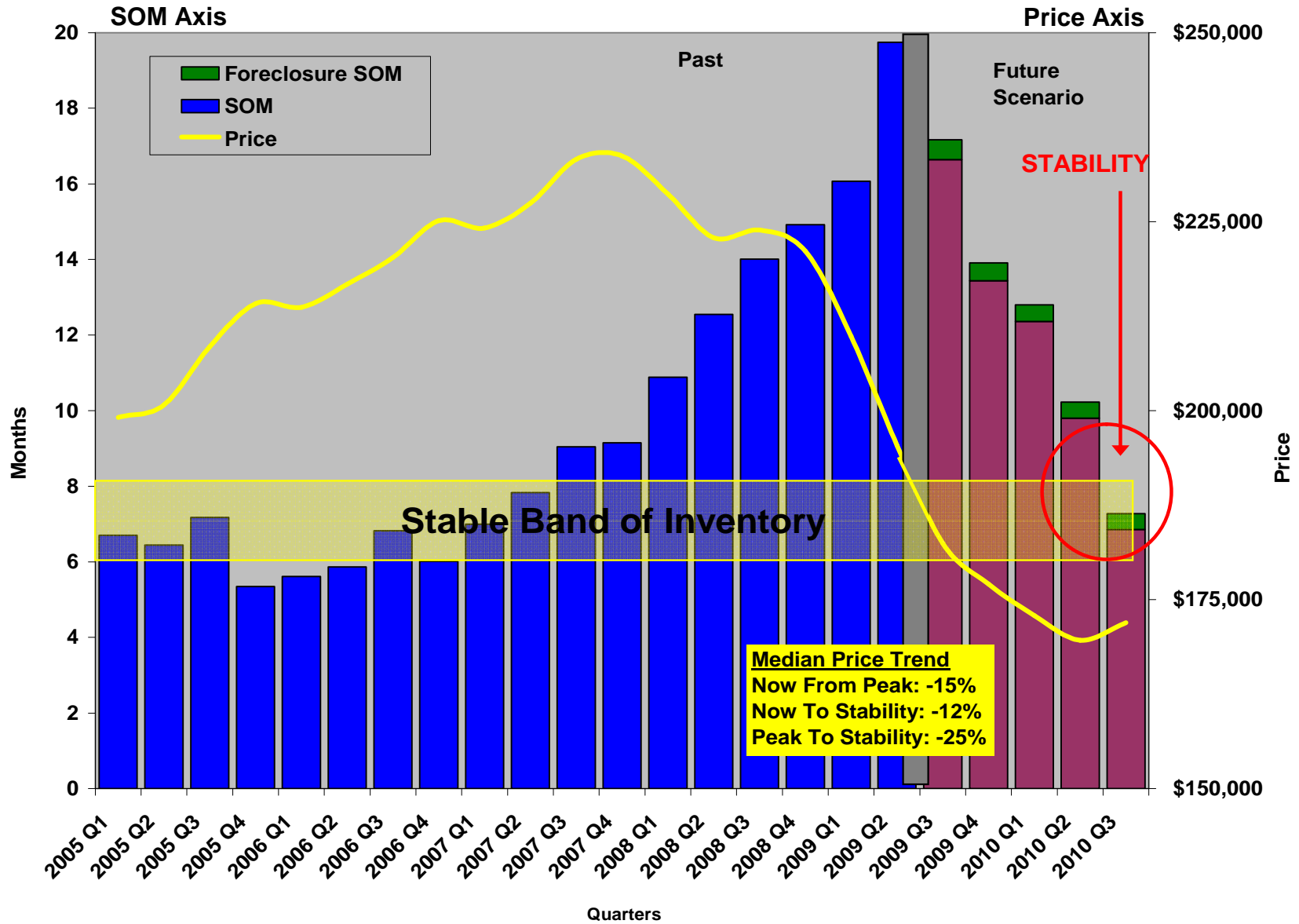
Mecklenburg County - SFD New Homes (Exhibit 13, Tab 5)



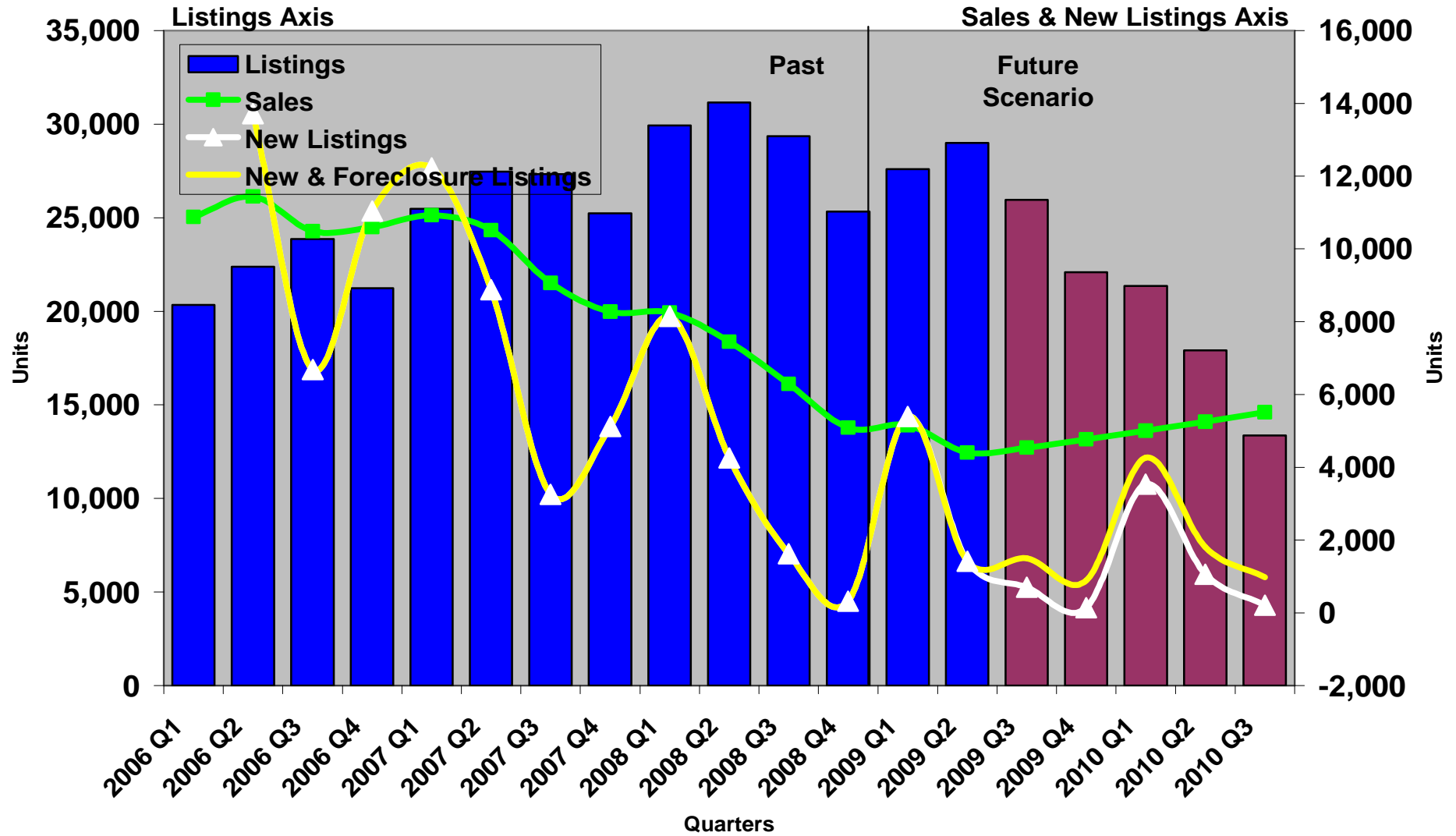
SFD New Home Buildable Lot Dynamic in Mecklenburg County (Exhibit 14, Tab 5)



Sellout Months Stabilization Scenario Charlotte MSA - Resale SFA & SFD (Exhibit 15, Tab 5)

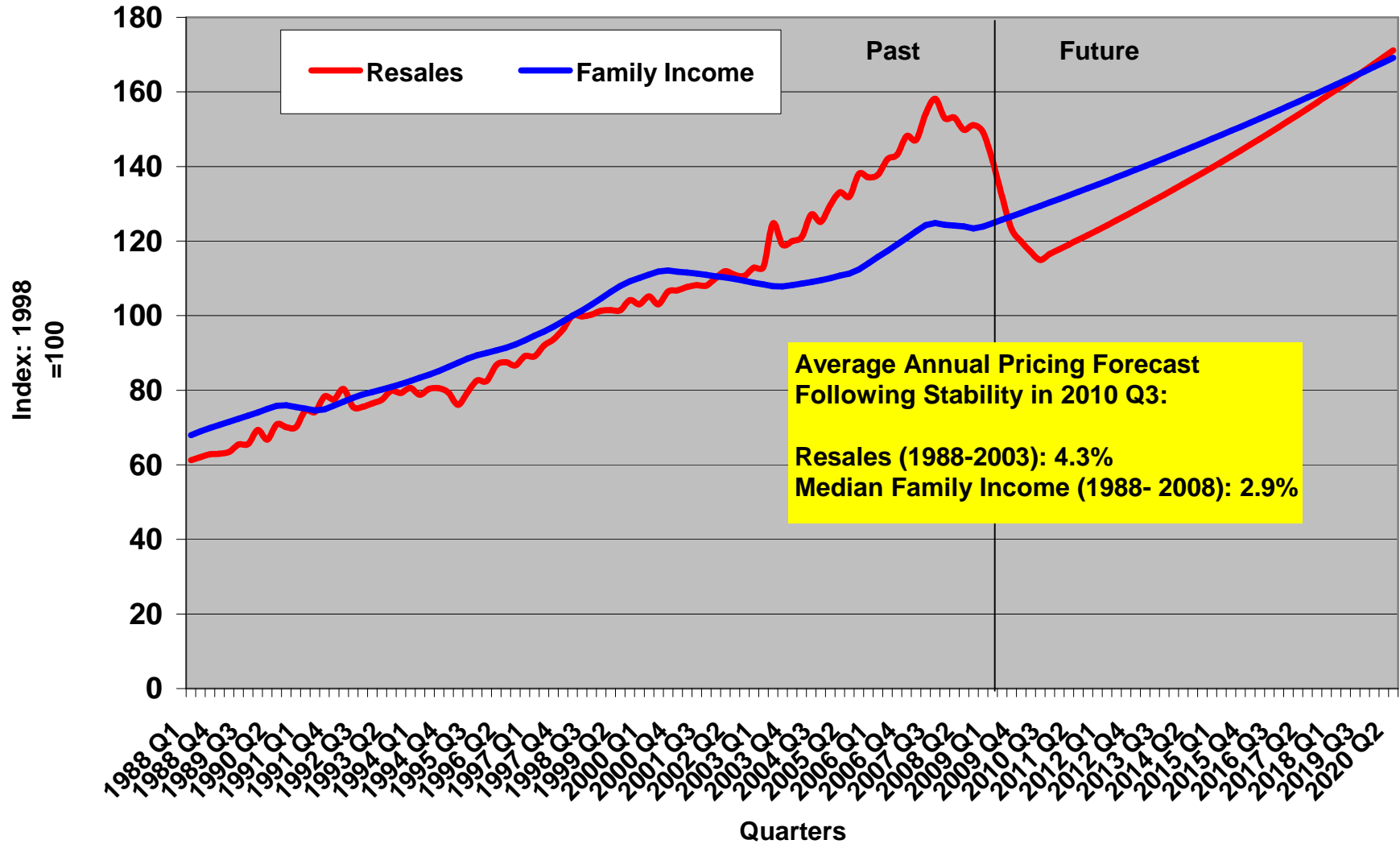


Resales (SFA & SFD) Listings Dynamic Charlotte MSA (Exhibit 16, Tab 5)



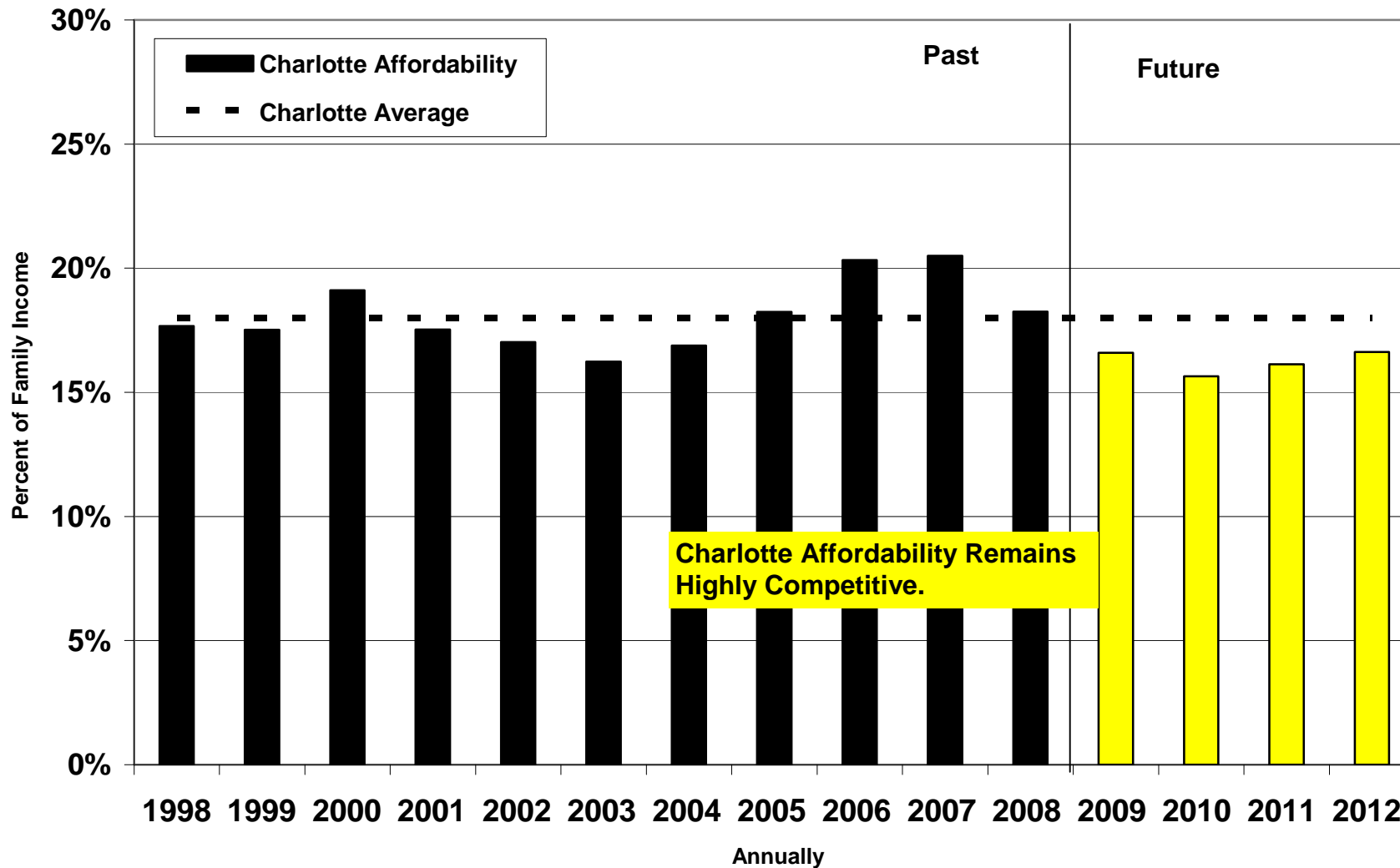
Long Term Pricing and Affordability Forecast (Tab 6)

Resale Home Price And Family Income Trends and Forecasts Charlotte MSA (Exhibit 17, Tab 6)

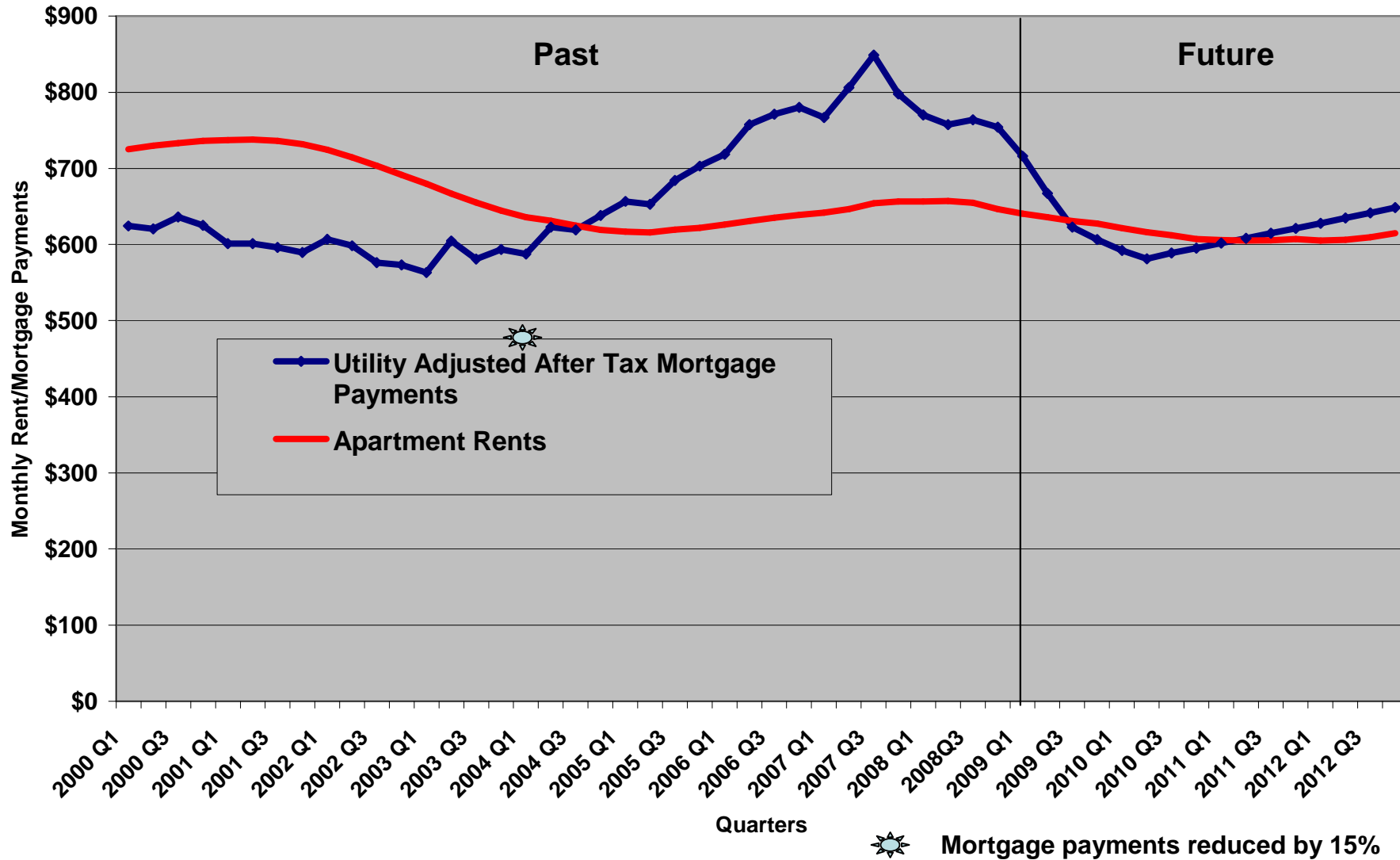


Charlotte MSA Affordability (Exhibit 18, Tab 6)

Mortgage Payments as a Percent of Family Income -- Low is Good

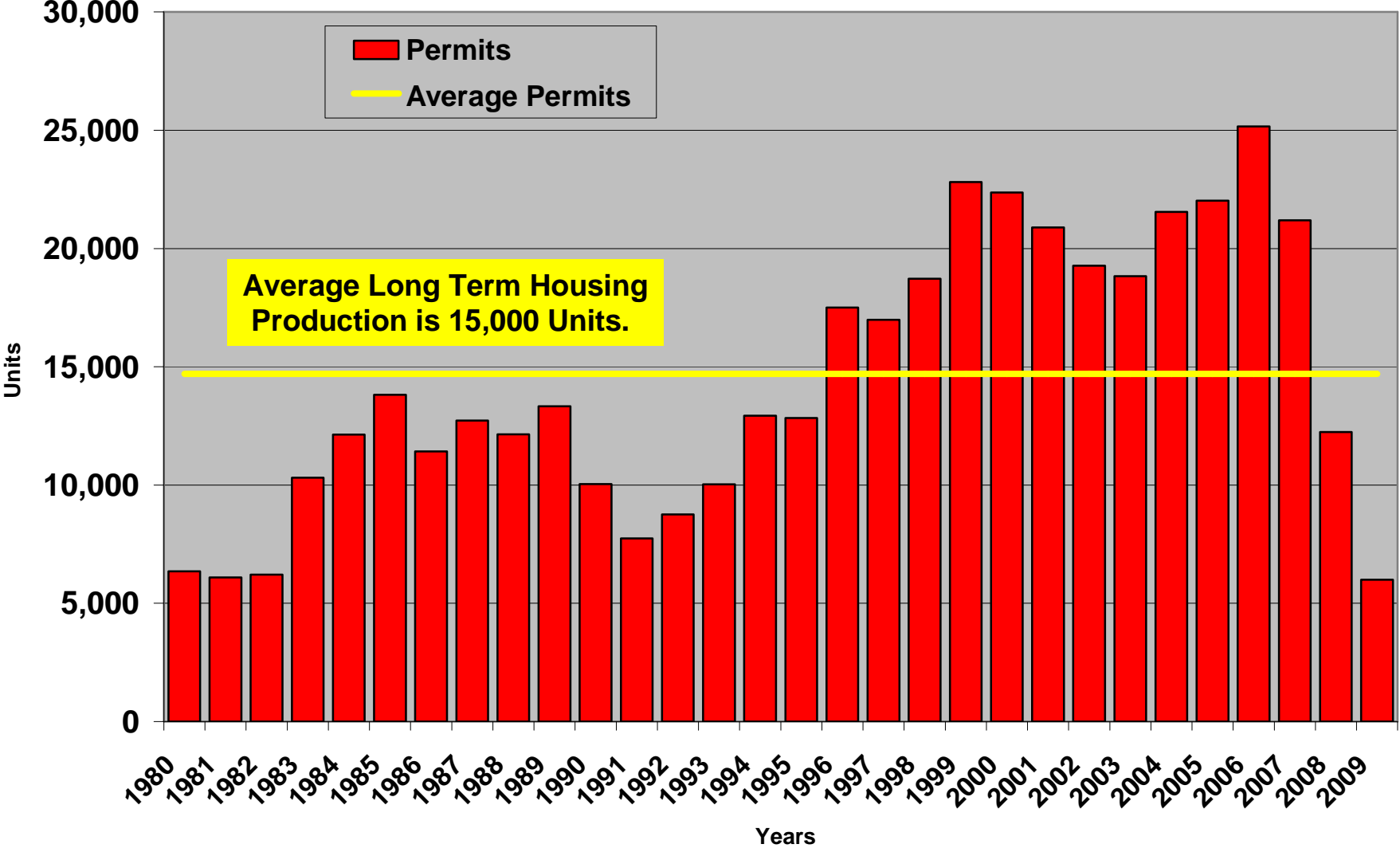


Buy-Rent Analysis In The Charlotte MSA (Exhibit 19, Tab 6)

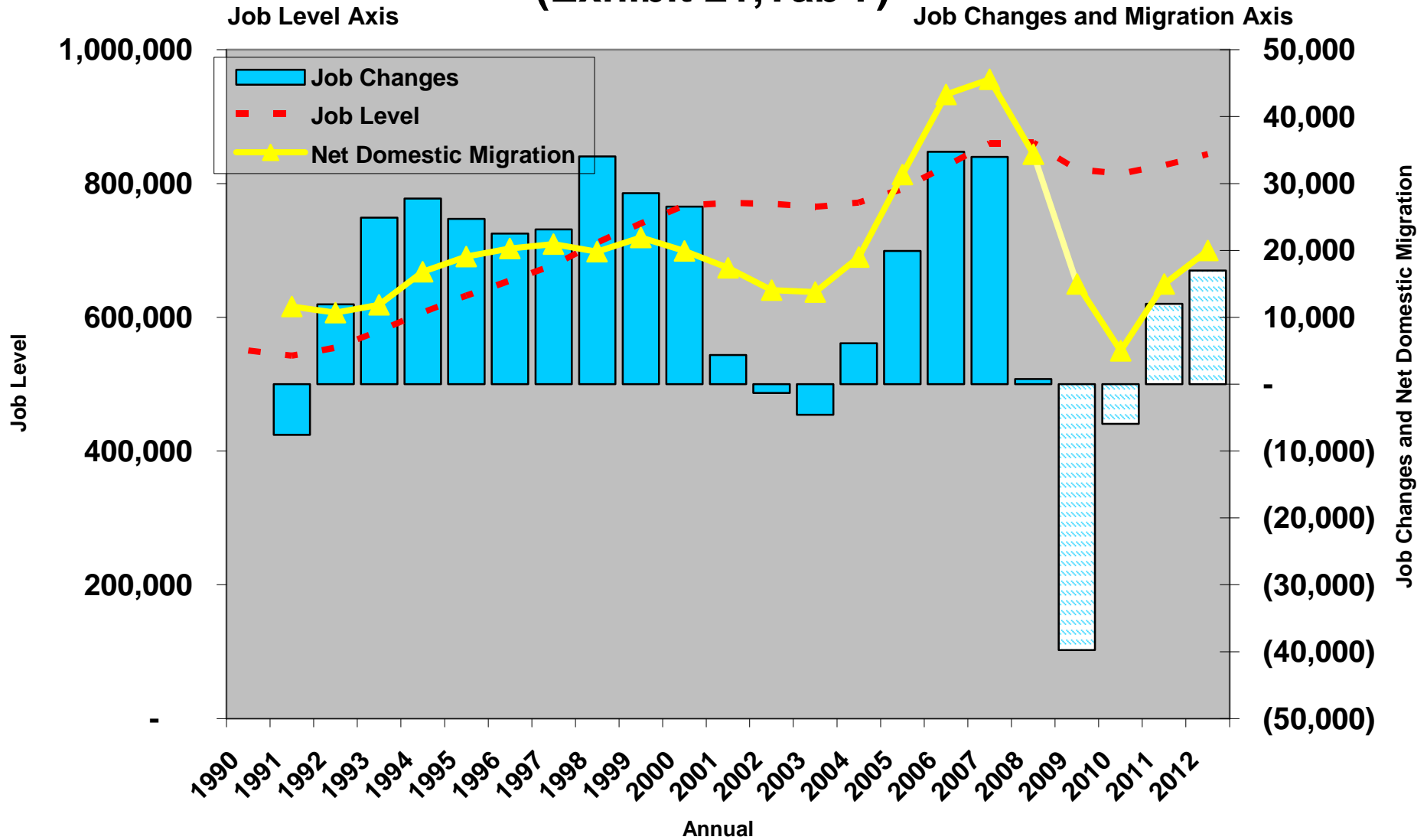


Fundamentals, Demand and Supply (Tab 7)

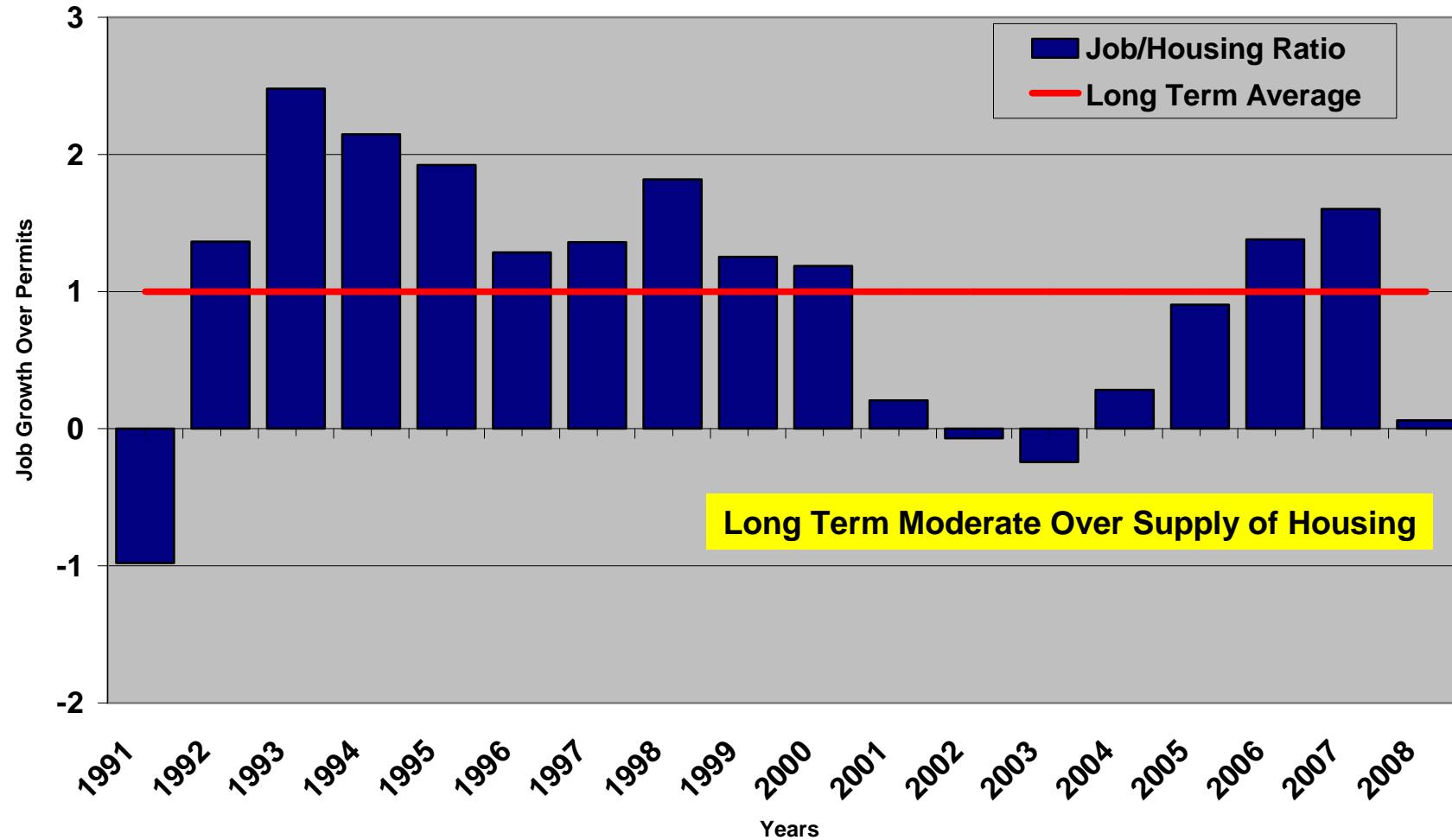
Charlotte MSA Housing Permits (Exhibit 20, Tab 7)



Charlotte MSA Job and Net Domestic Migration Picture (Exhibit 21, Tab 7)

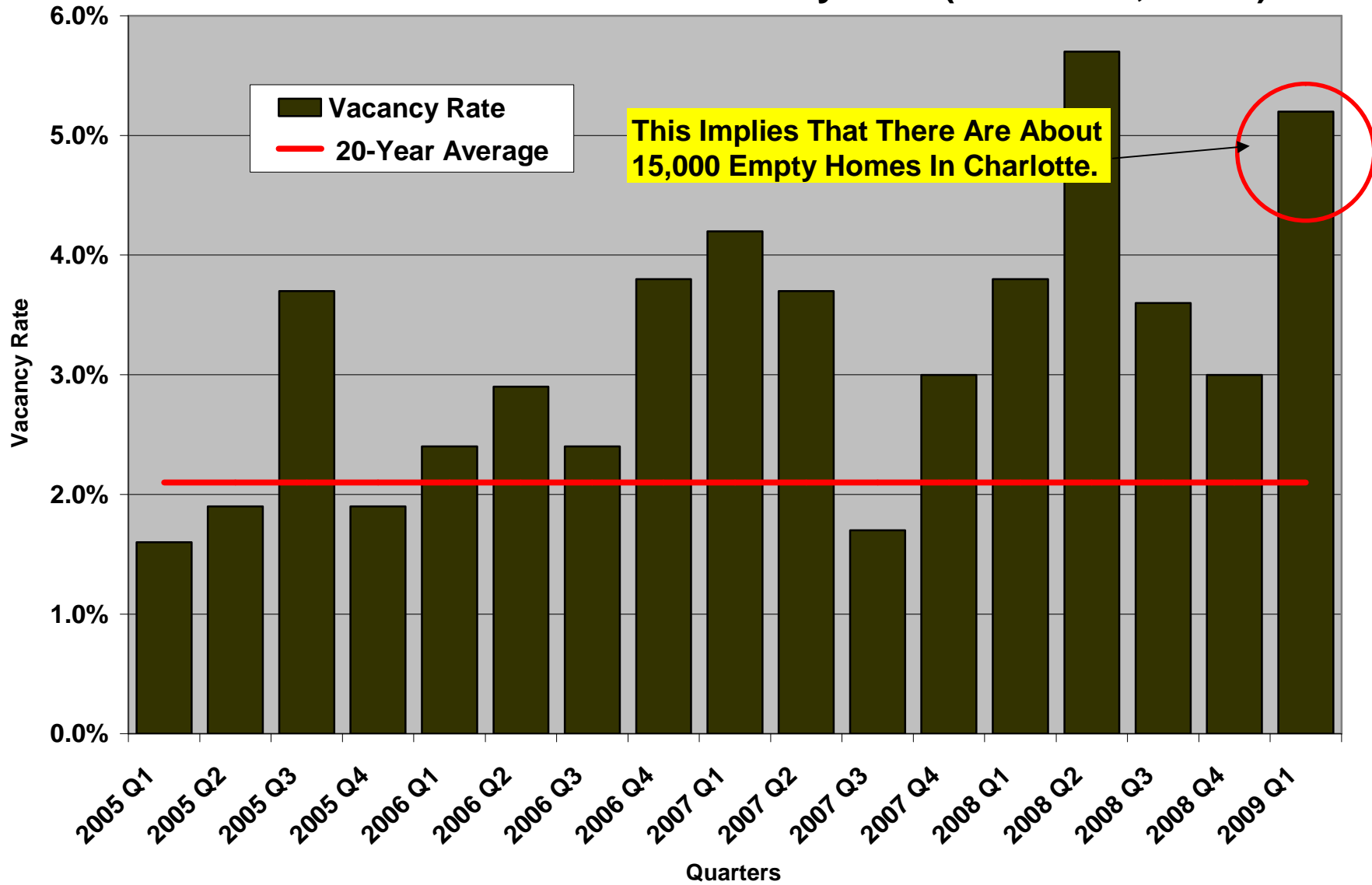


Charlotte MSA Job To Housing Ratio (Exhibit 22, Tab 7)

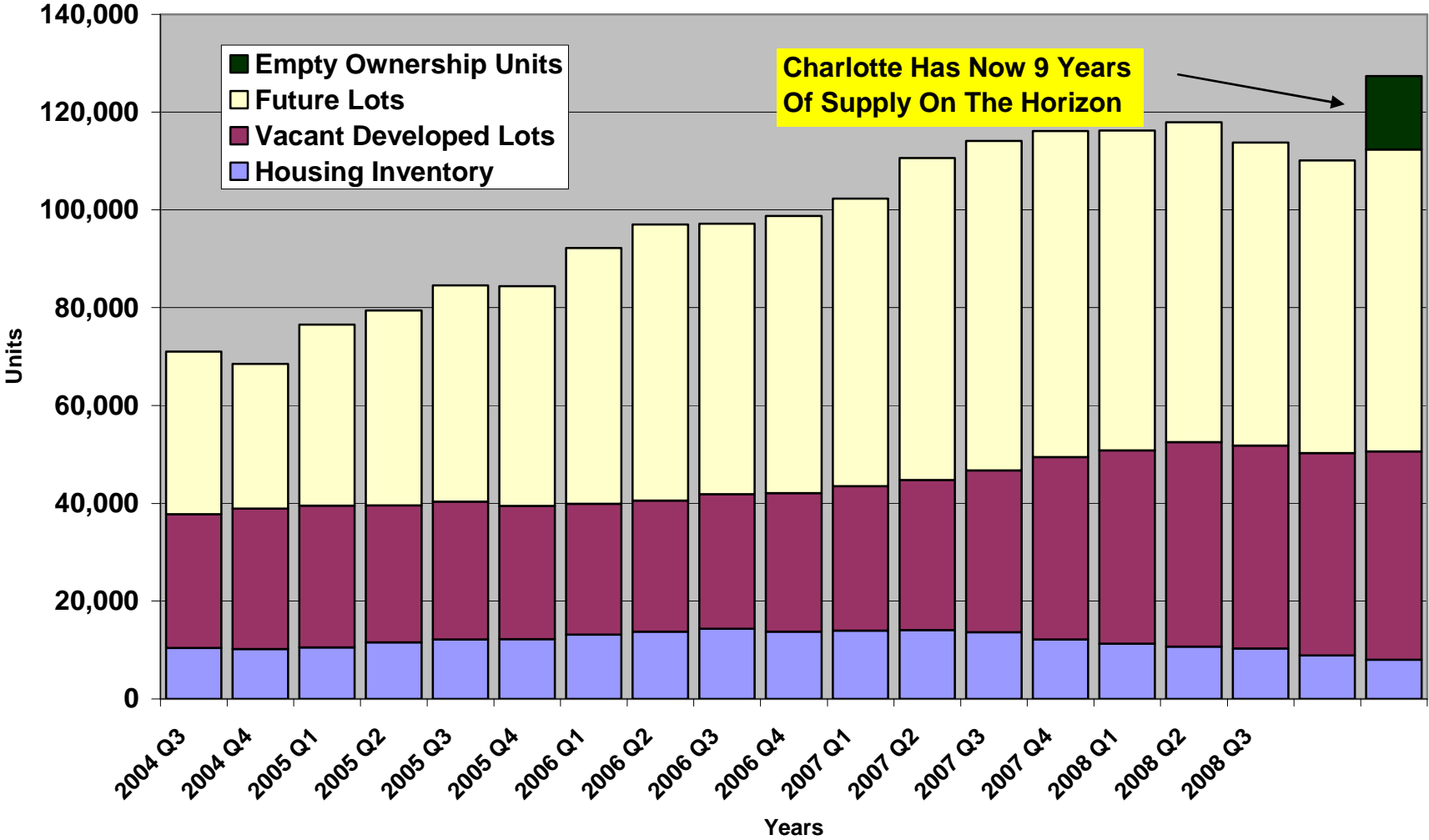


Long Term Supply And Absorption Analysis (Tab 8)

Charlotte MSA Homeowner Vacancy Rate (Exhibit 23, Tab 8)



Total Land And Housing Supply In The Charlotte MSA (Exhibit 23, Tab 8)

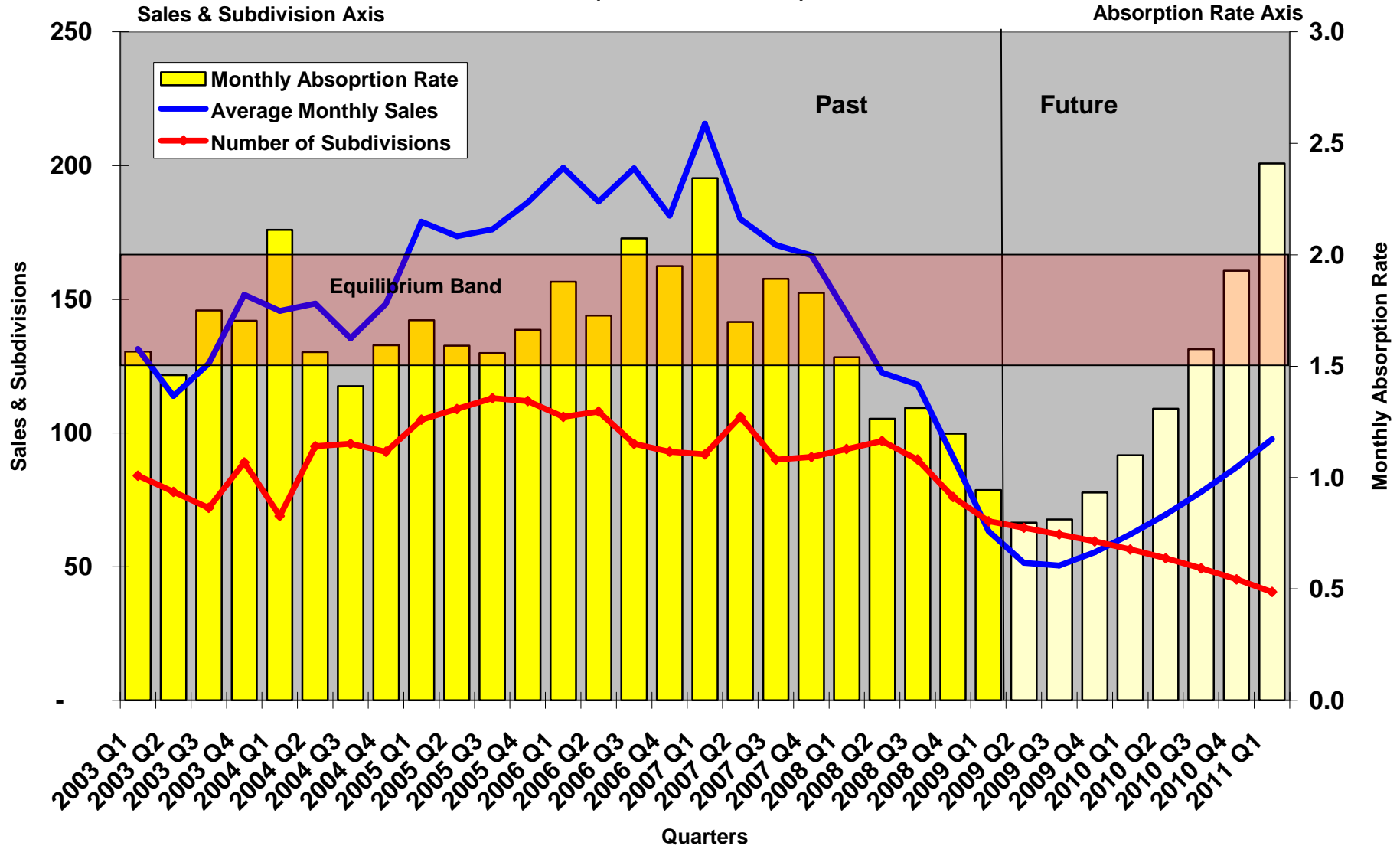


Sales Axis

Market Share Axis

Not Available for Confidentiality Reasons

**New Home Projects, Sales, and Average Monthly Absorption Rate in York County
(Exhibit 25, Tab 8)**



The End