Mortgage Lending Problems and Impacts in Nevada

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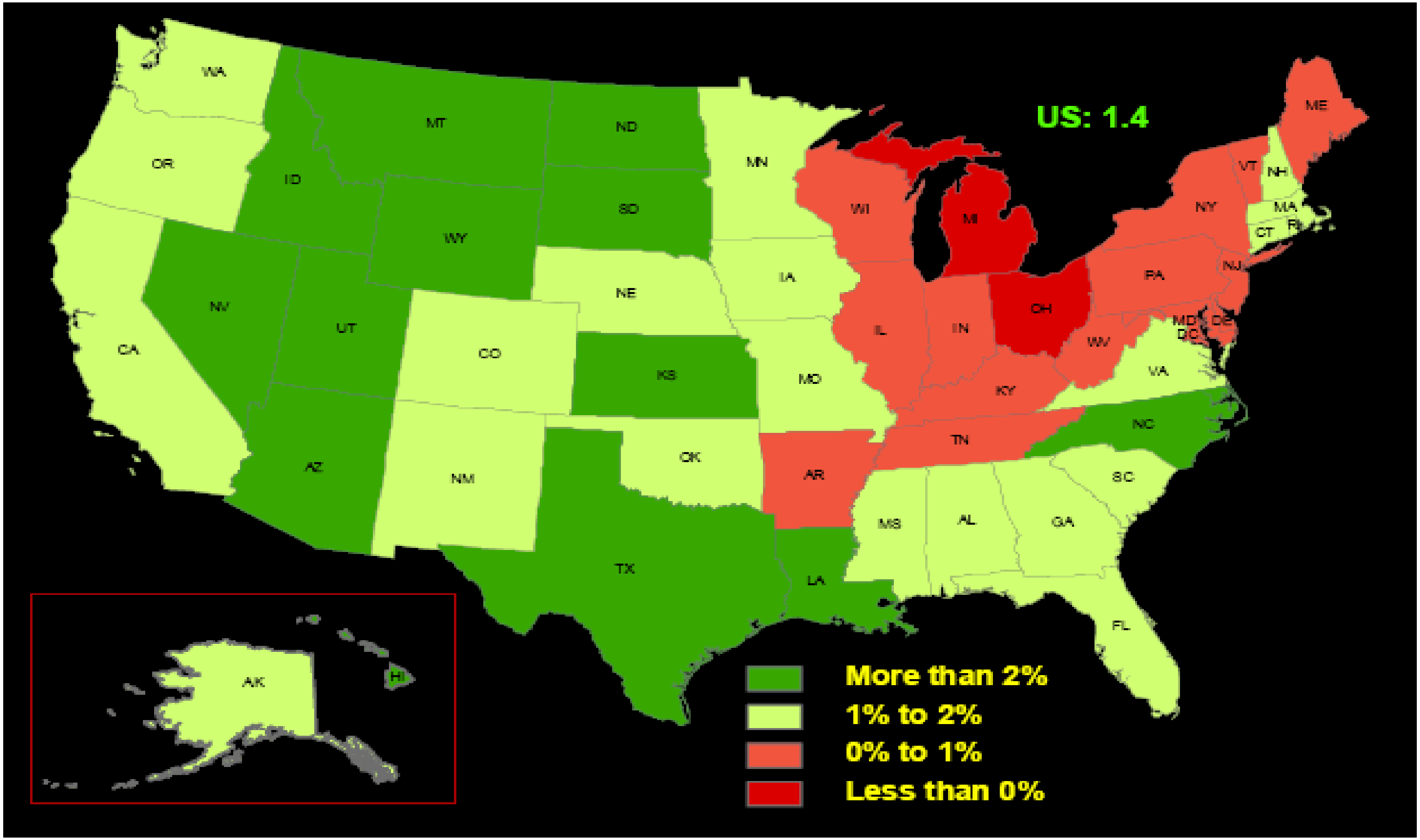
EXHIBIT B– MORTGAGE LENDING
Meeting Date: 12-03-07
Document consists of 30 pages.
Entire Exhibit Provided.

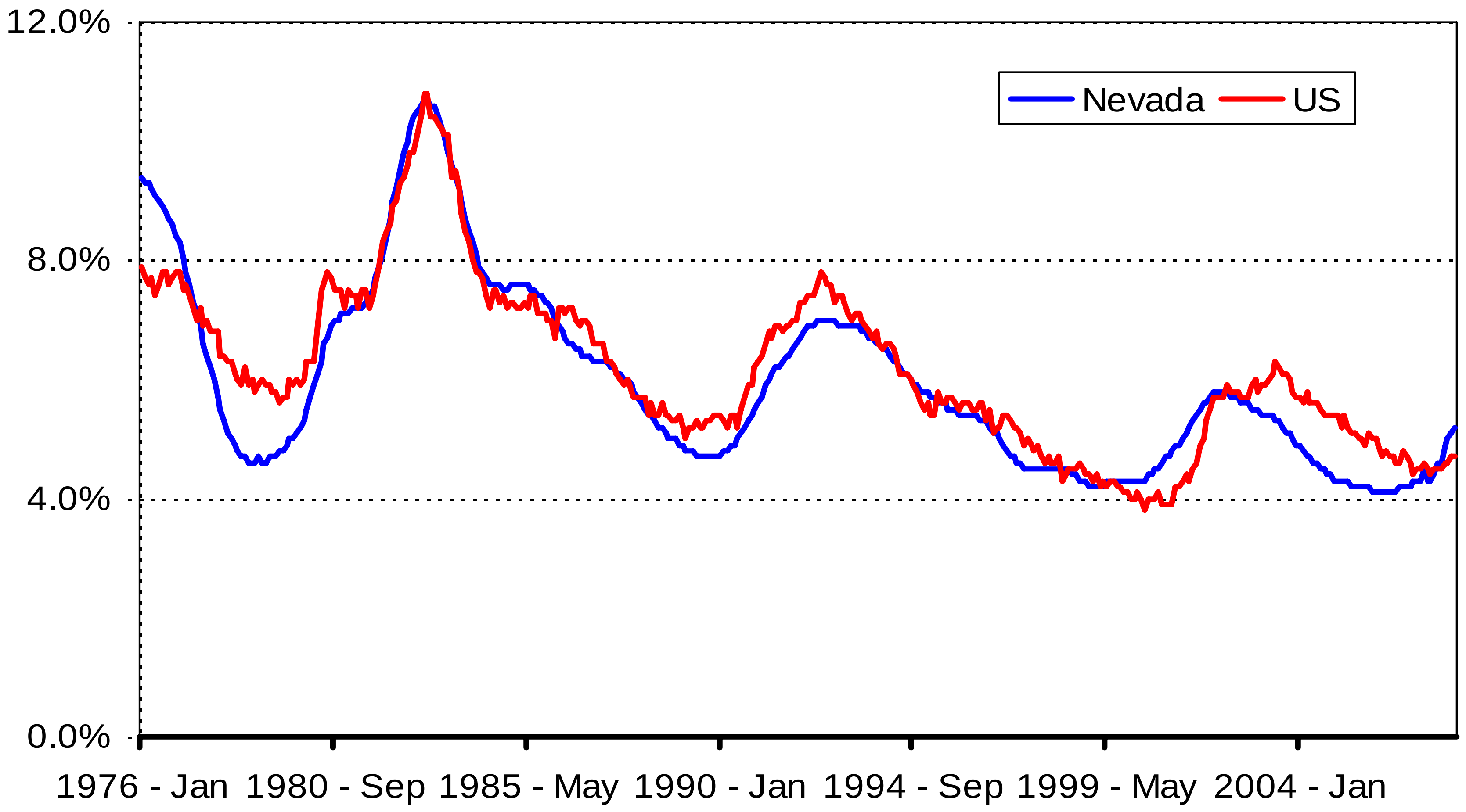
Employment Growth by State:

2006Q2 to 2007Q2



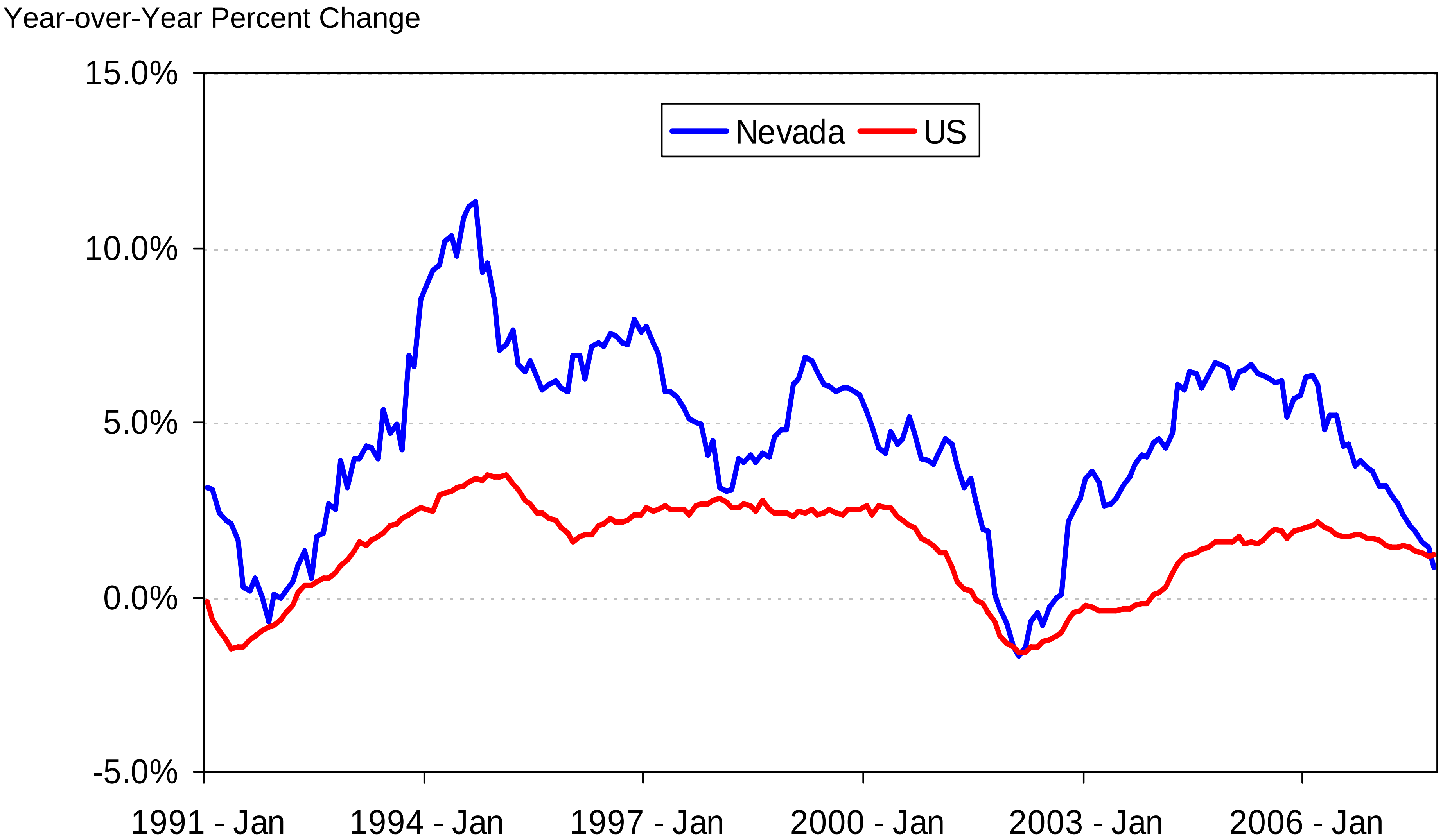
Source: Bureau of Labor Statistics

Unemployment Rate, Nevada versus U.S.



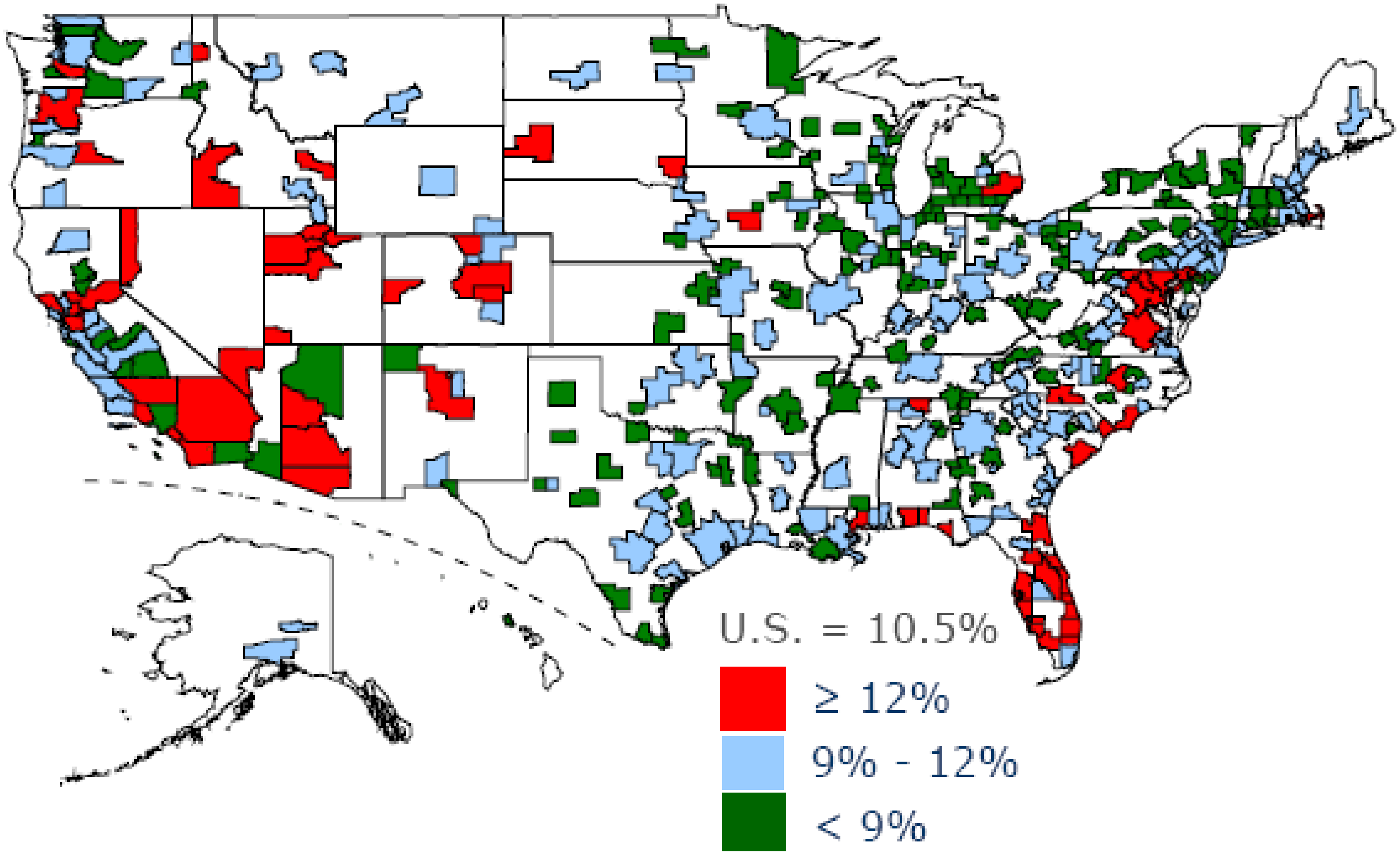
Source: Bureau of Labor Statistics

Nonfarm Payroll Employment, Nevada versus US



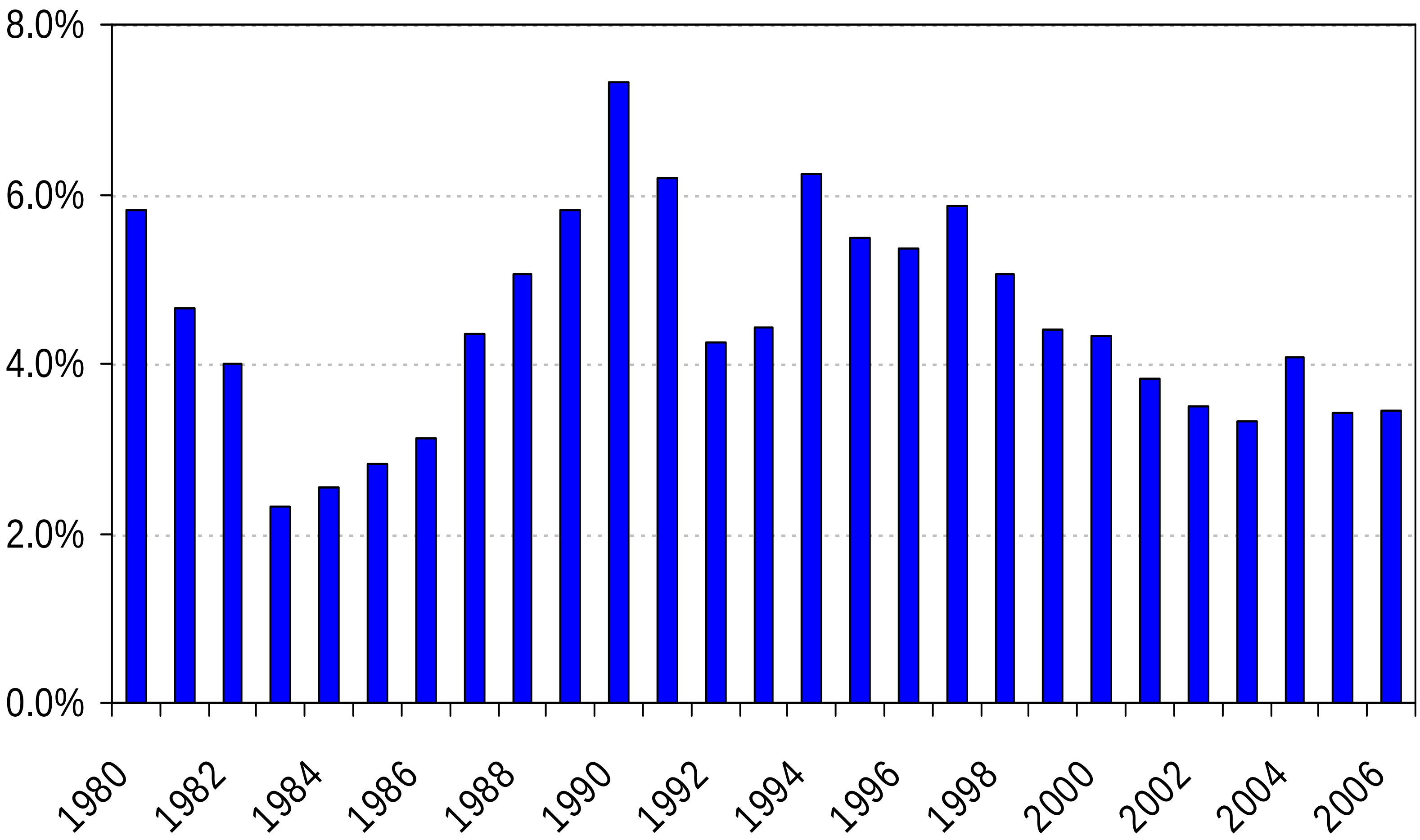
Source: Bureau of Labor Statistics

Real Estate-related as a Share of Total Employment: 2007Q2



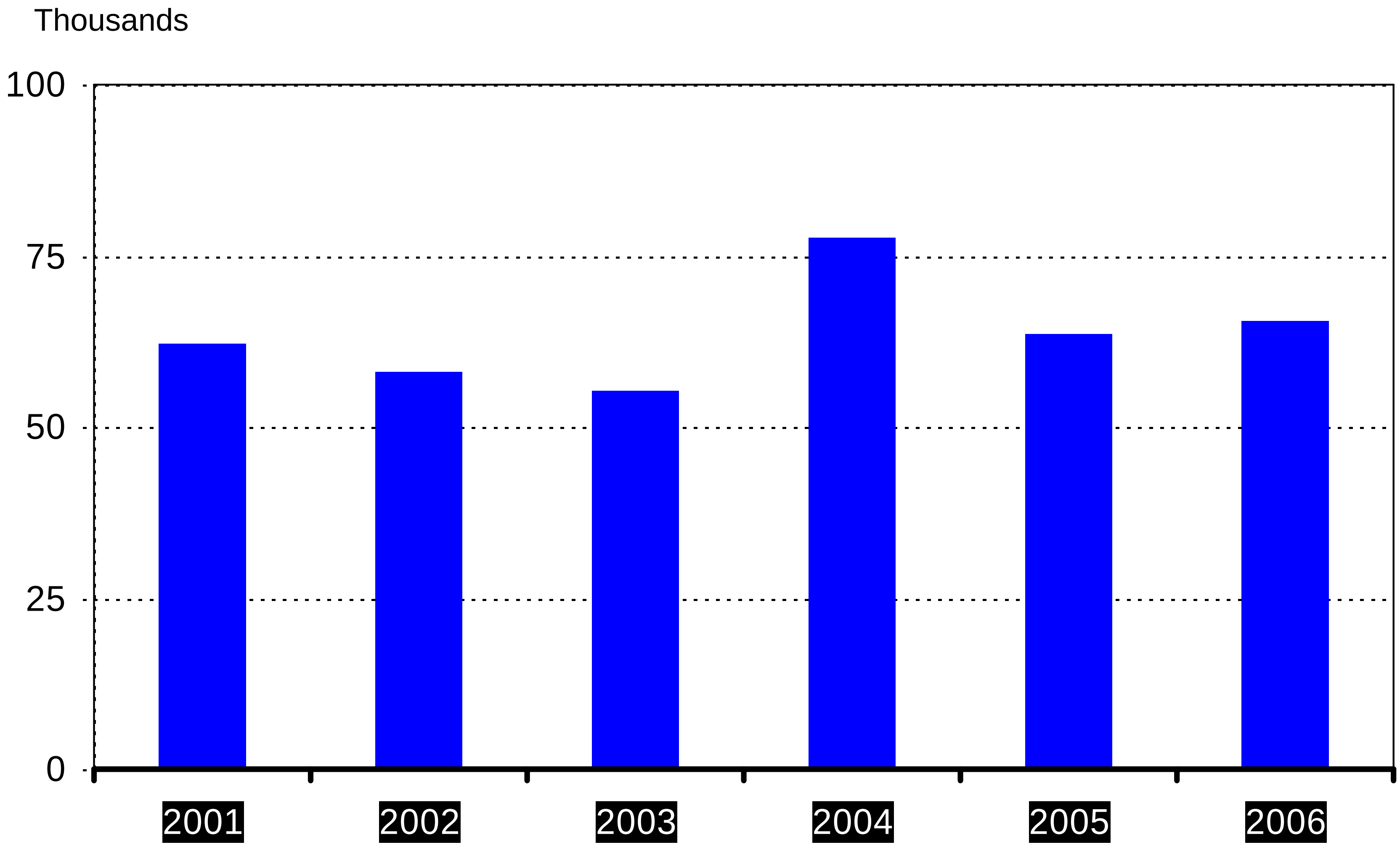
Source: Bureau of Labor Statistics, Moody's Economy.com

Nevada Population Growth



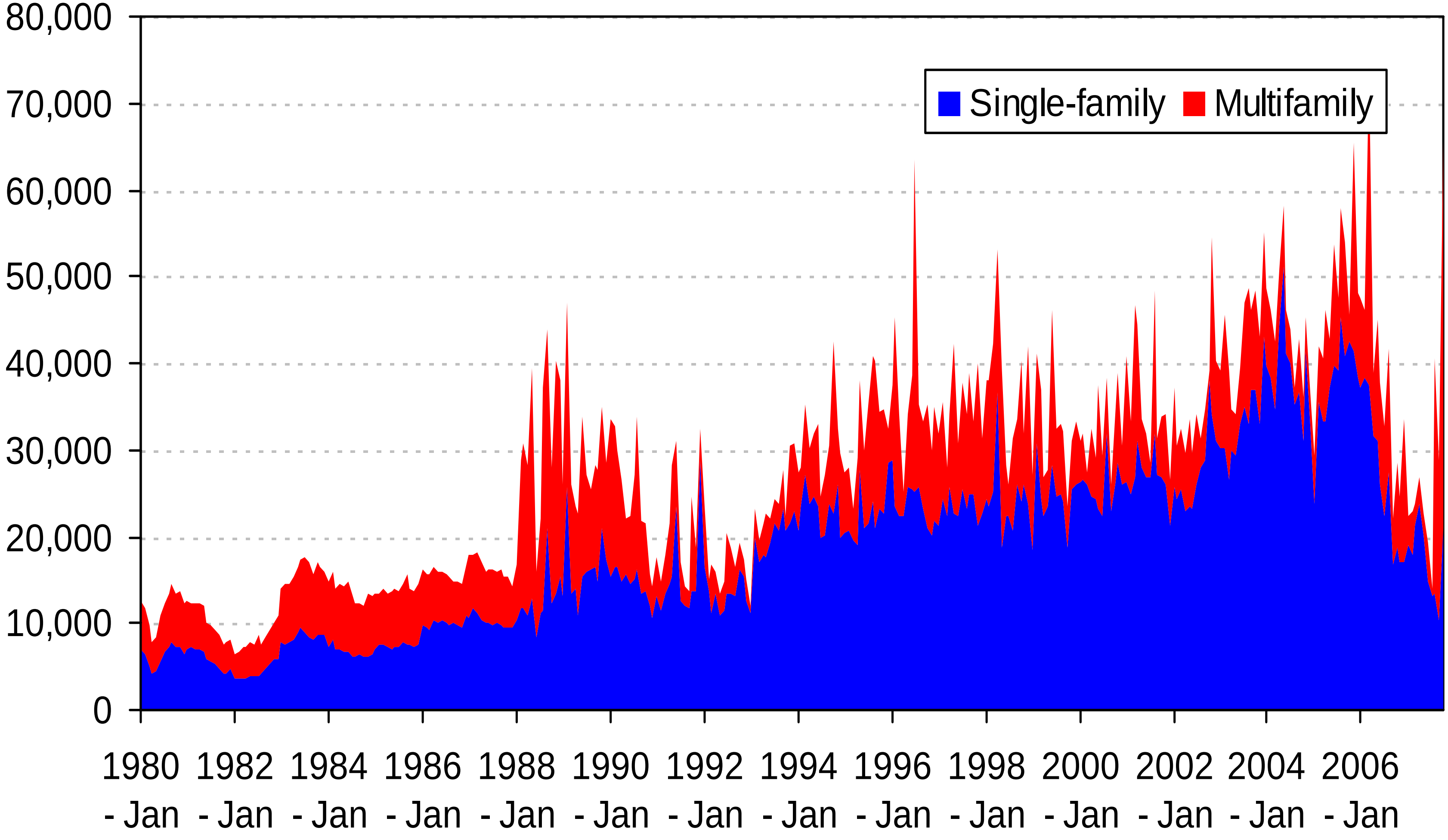
Source: Census Bureau

Nevada Net Migration



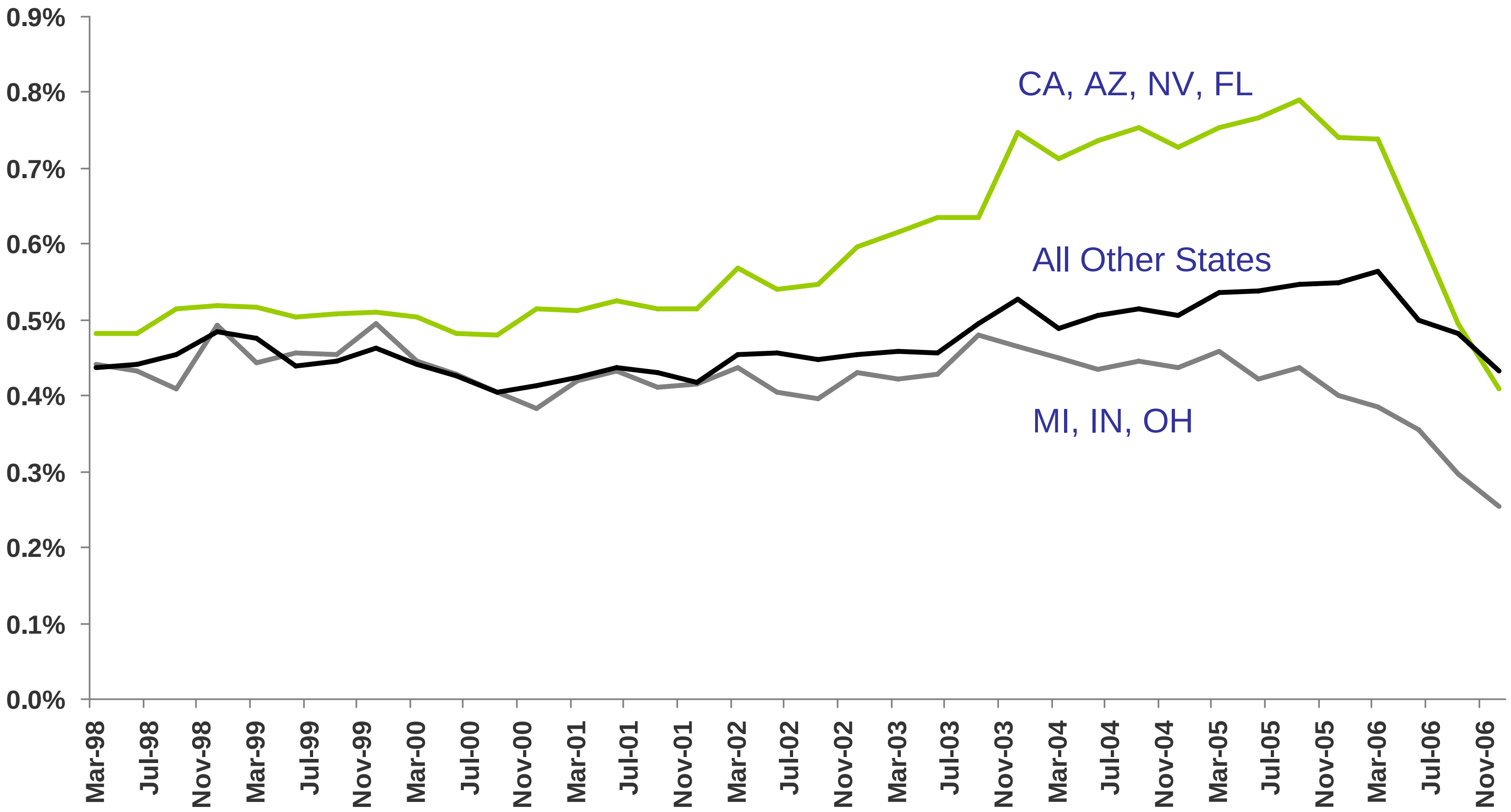
Source: Bureau of Labor Statistics

Nevada Housing Permits



Source: Census Bureau

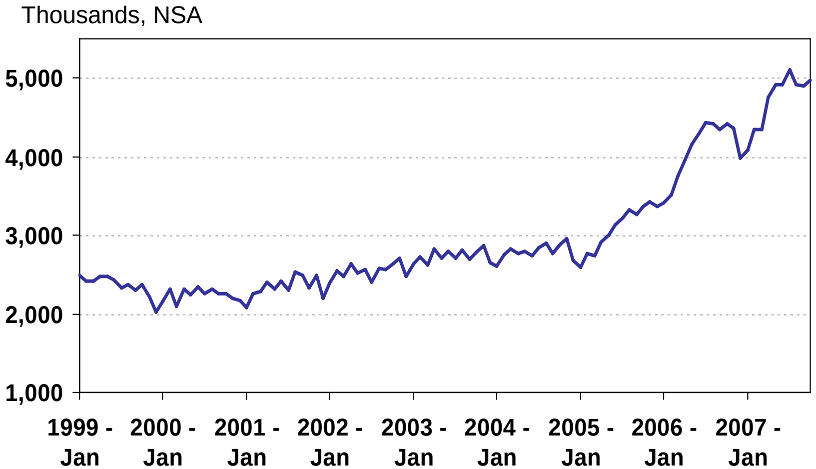
Housing Starts Per Capita



Source: The Federal Reserve Bank of New York and Economy.com

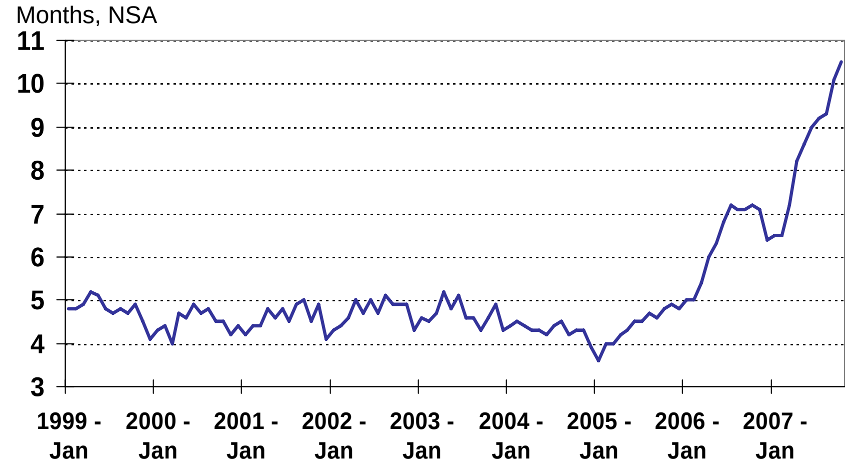
How Many Homes Are Available For Sale?

Inventory of Total Properties



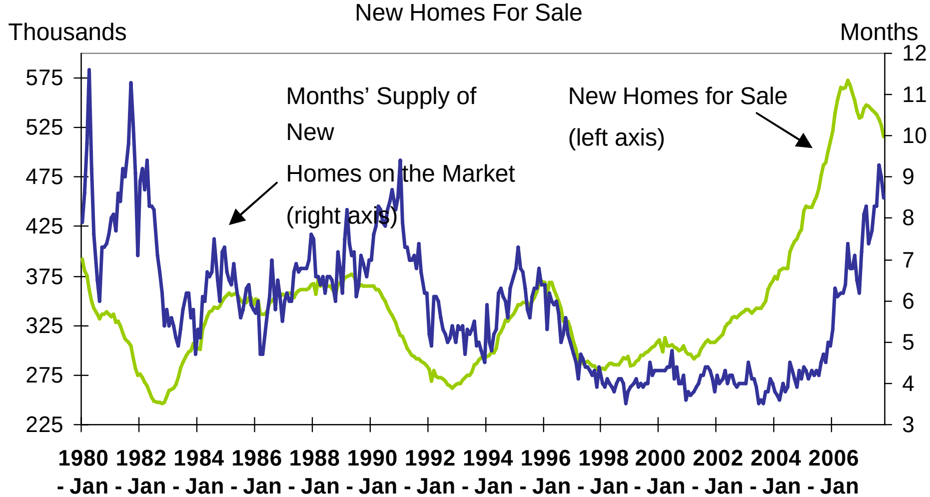
Source: Bureau of the Census and the National Association of Realtors

Months' Supply of Existing Single-Family Homes



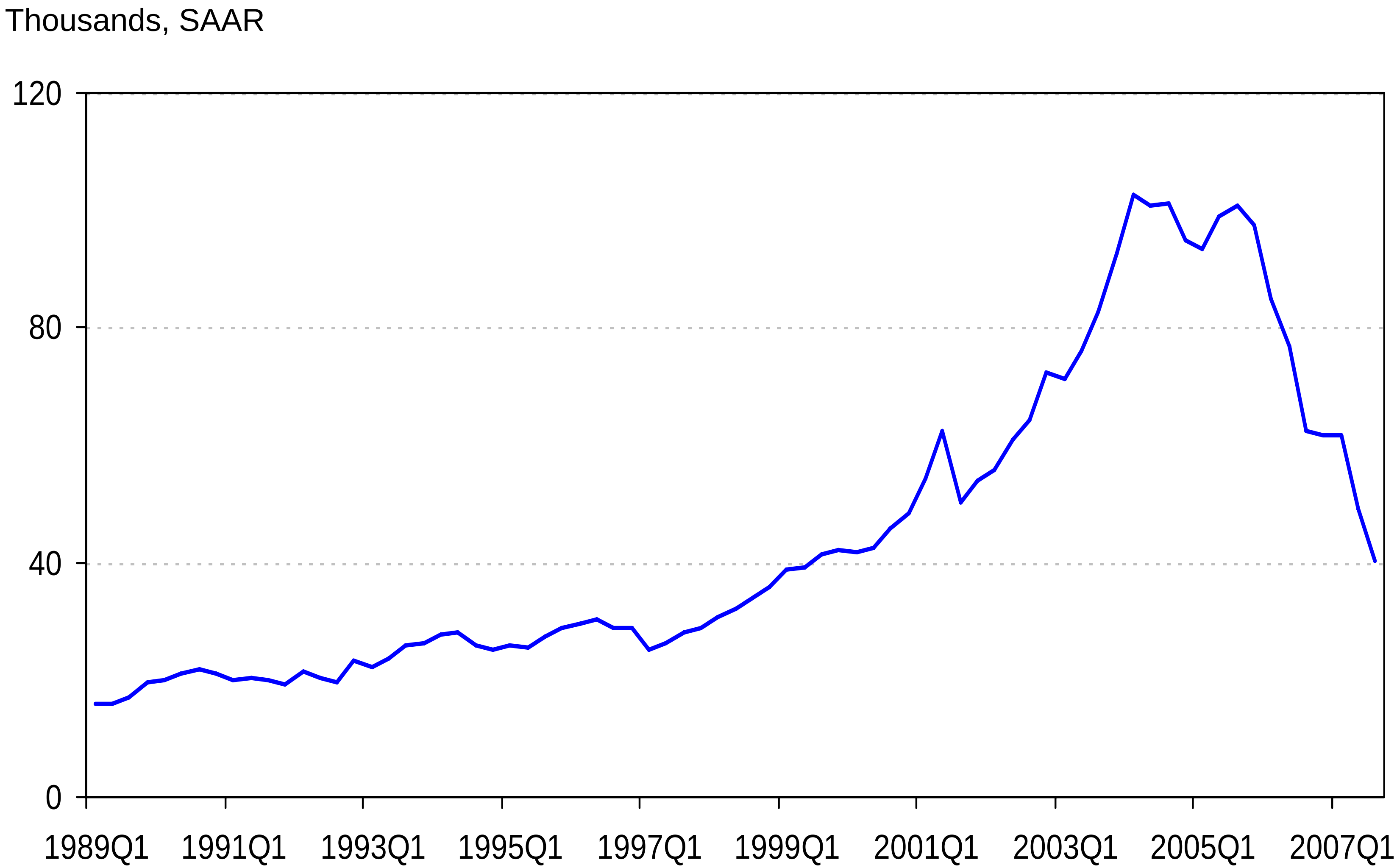
Source: National Association of Realtors

New Homes For Sale



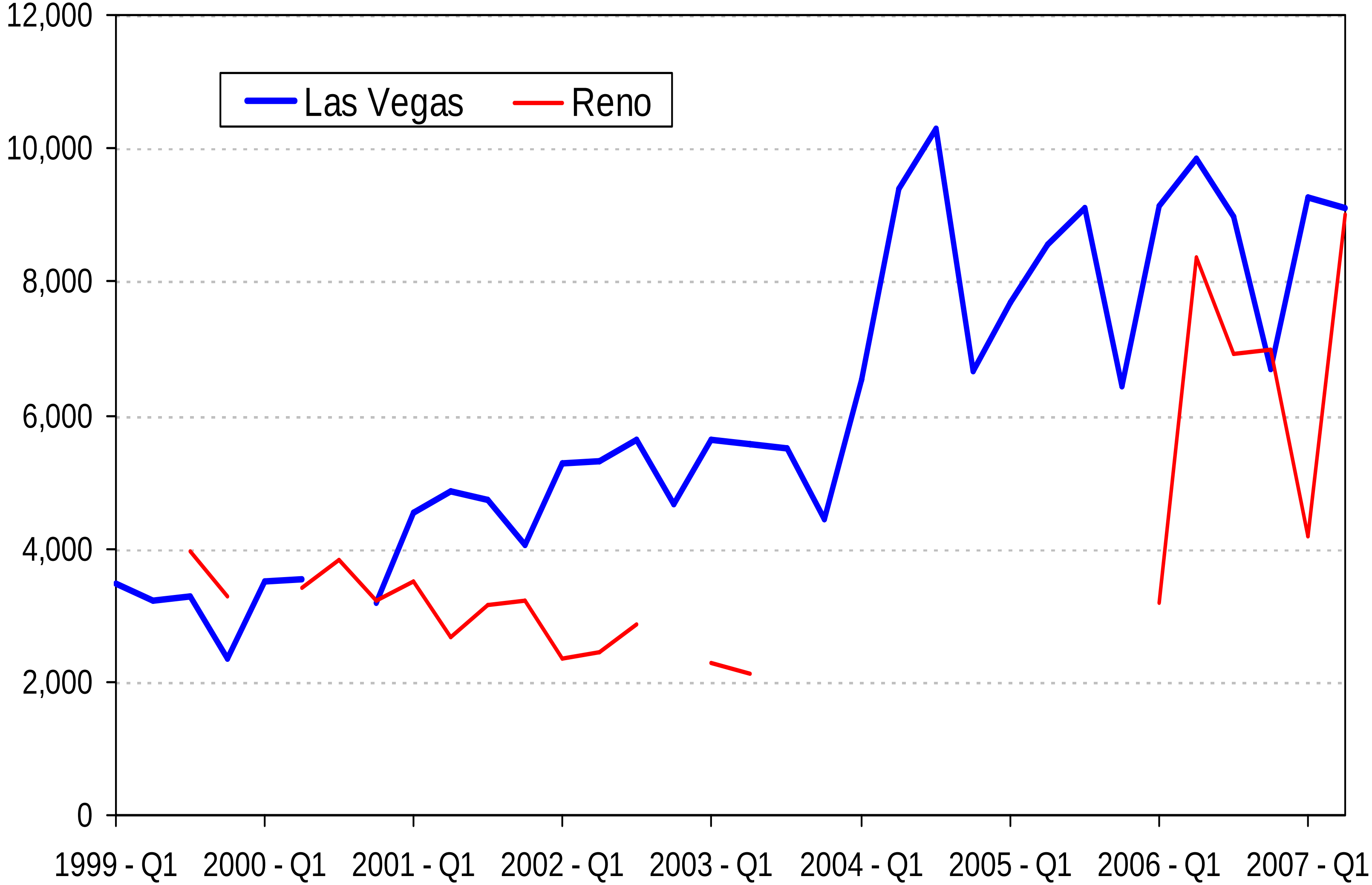
Source: Census Bureau

Nevada Existing Home Sales, Condos and Co-ops



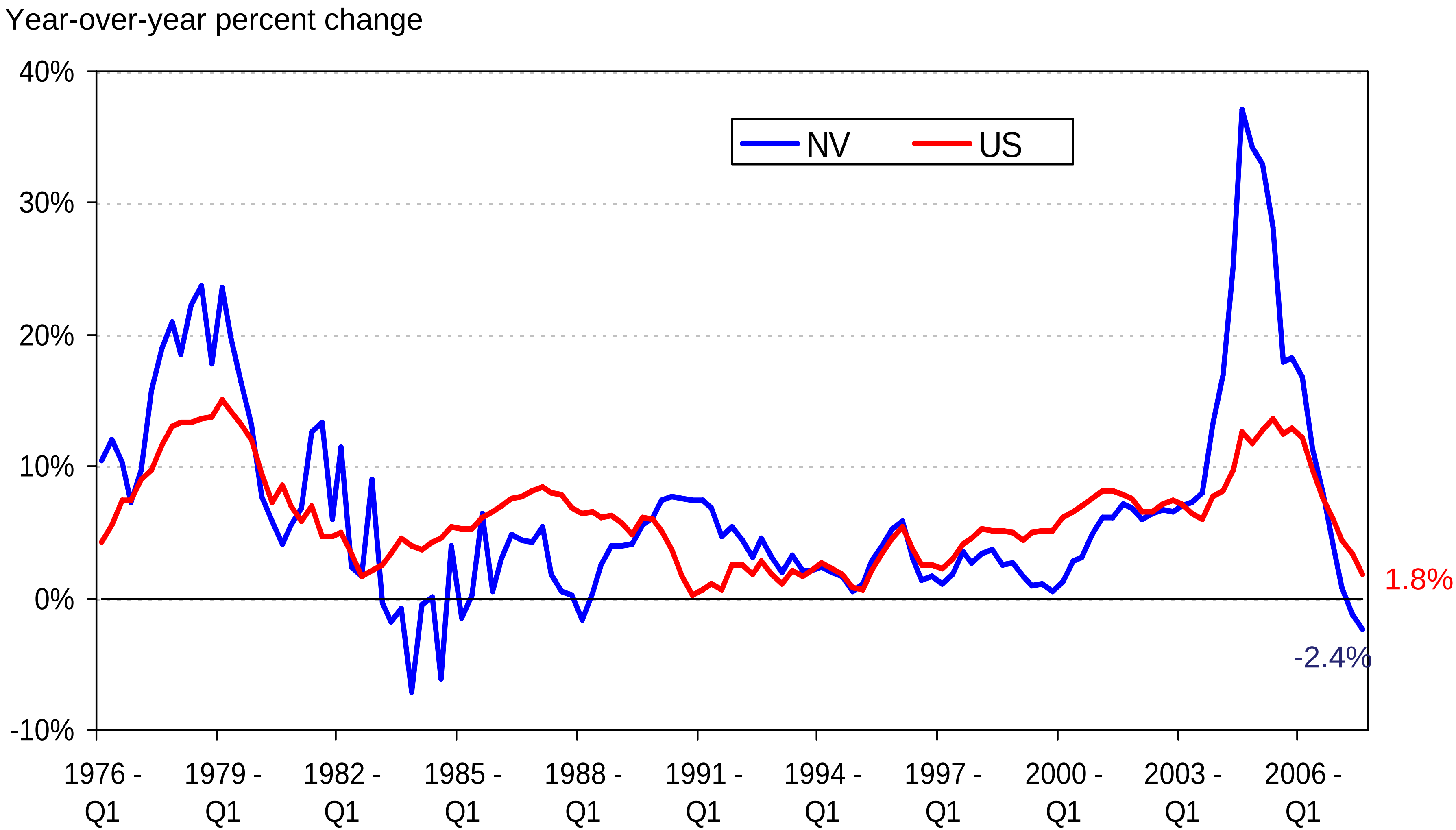
Source: The National Association of Realtors

Nevada Existing Homes' Inventory, selected MSAs



Source: The National Association of Realtors

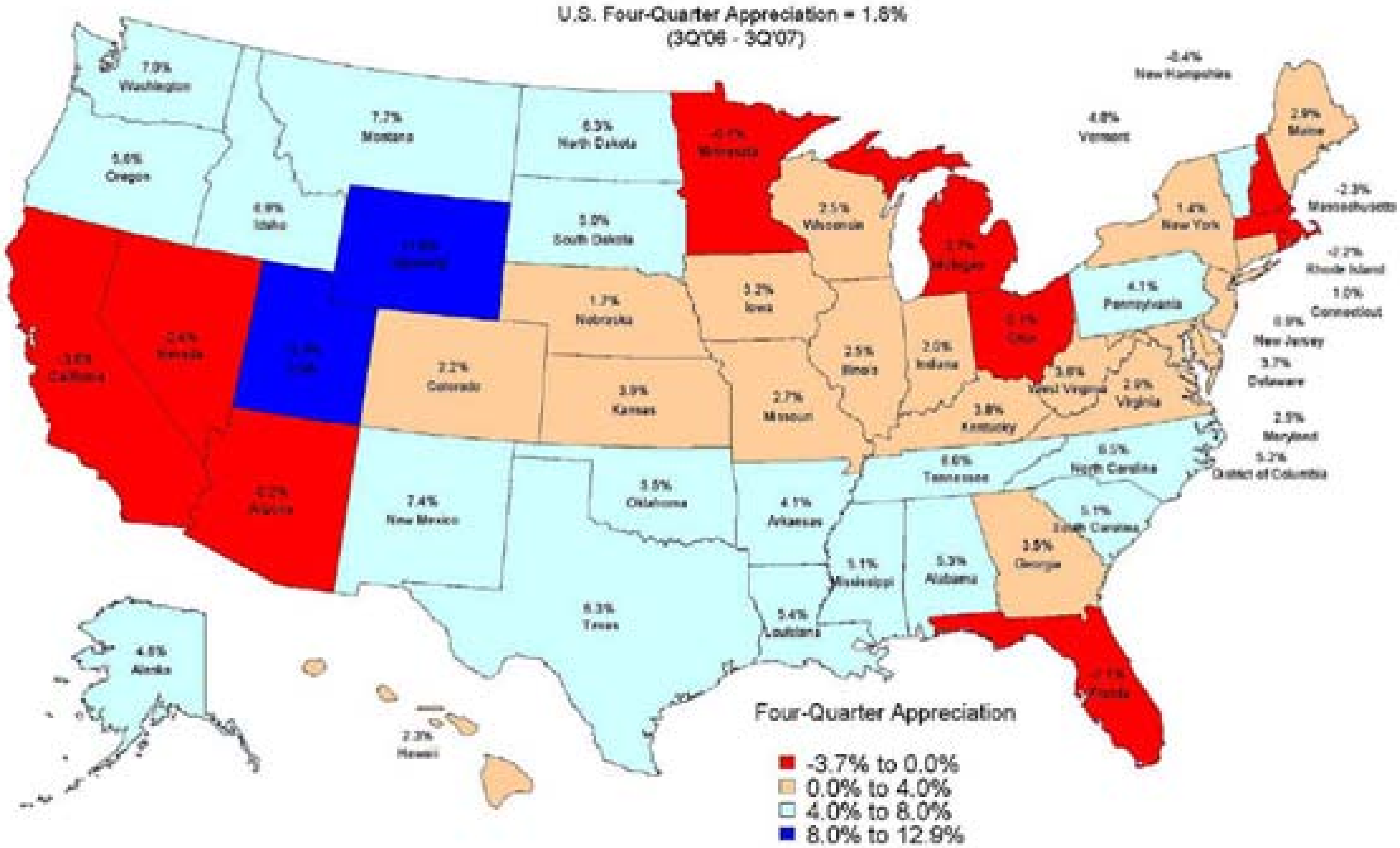
Home Price Appreciation, Nevada versus U.S.



Source: Office of Federal Housing Enterprise Oversight

Home Price Appreciation of Existing Homes, by State

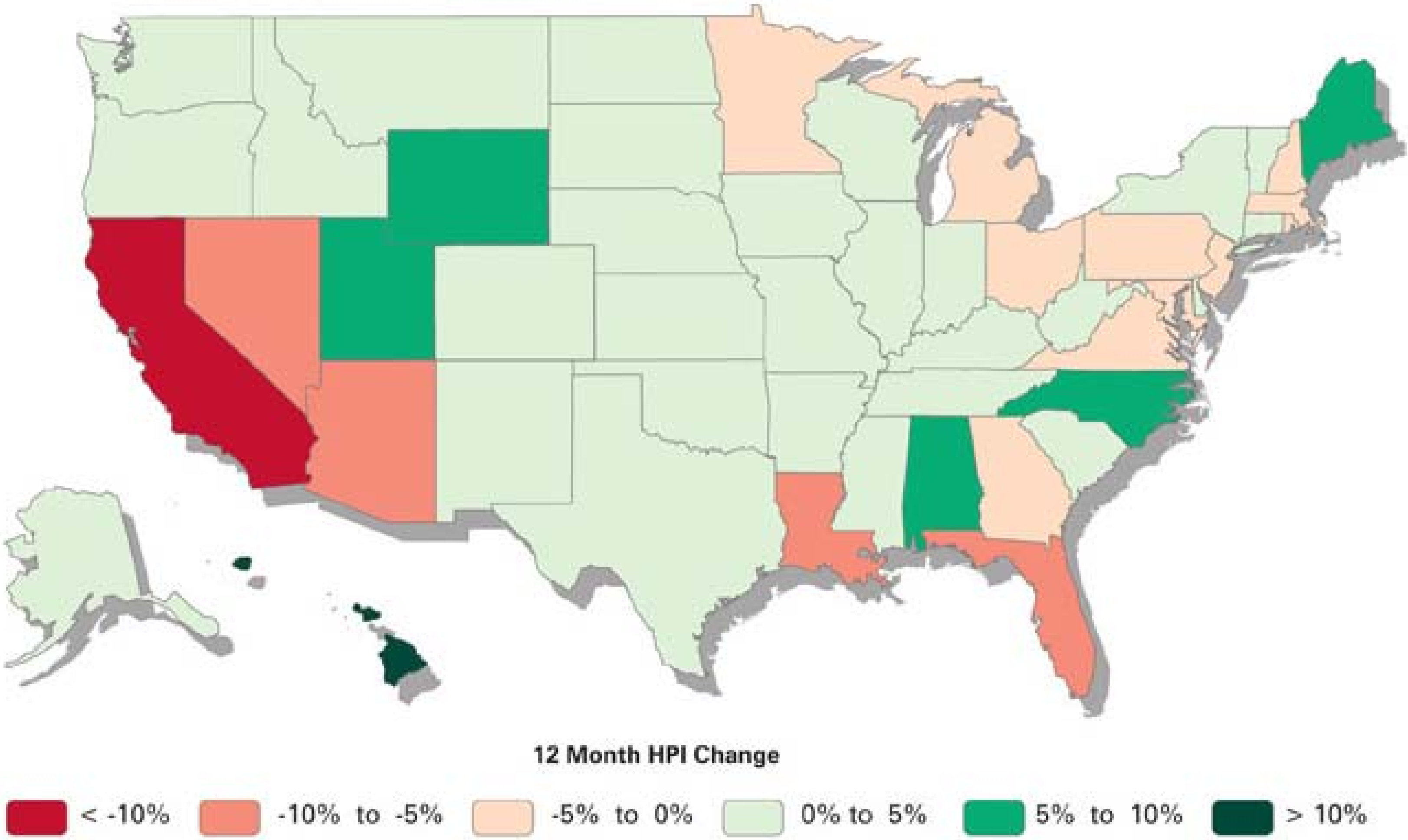
2006Q3 to 2007Q3



Source: Office of Federal Housing Enterprise Oversight

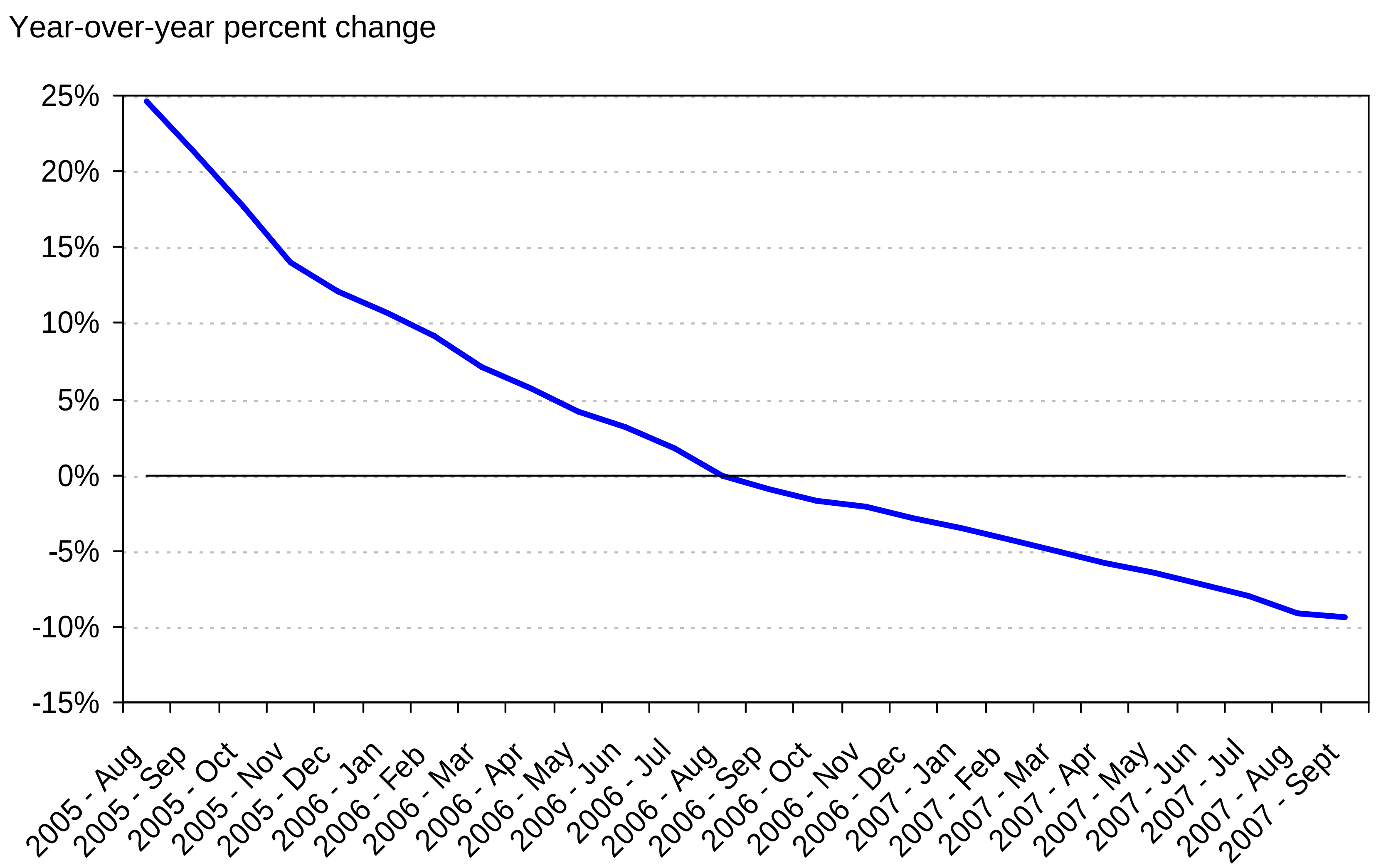
Home Price Appreciation of Single-family Detached Homes, by State

September 2007



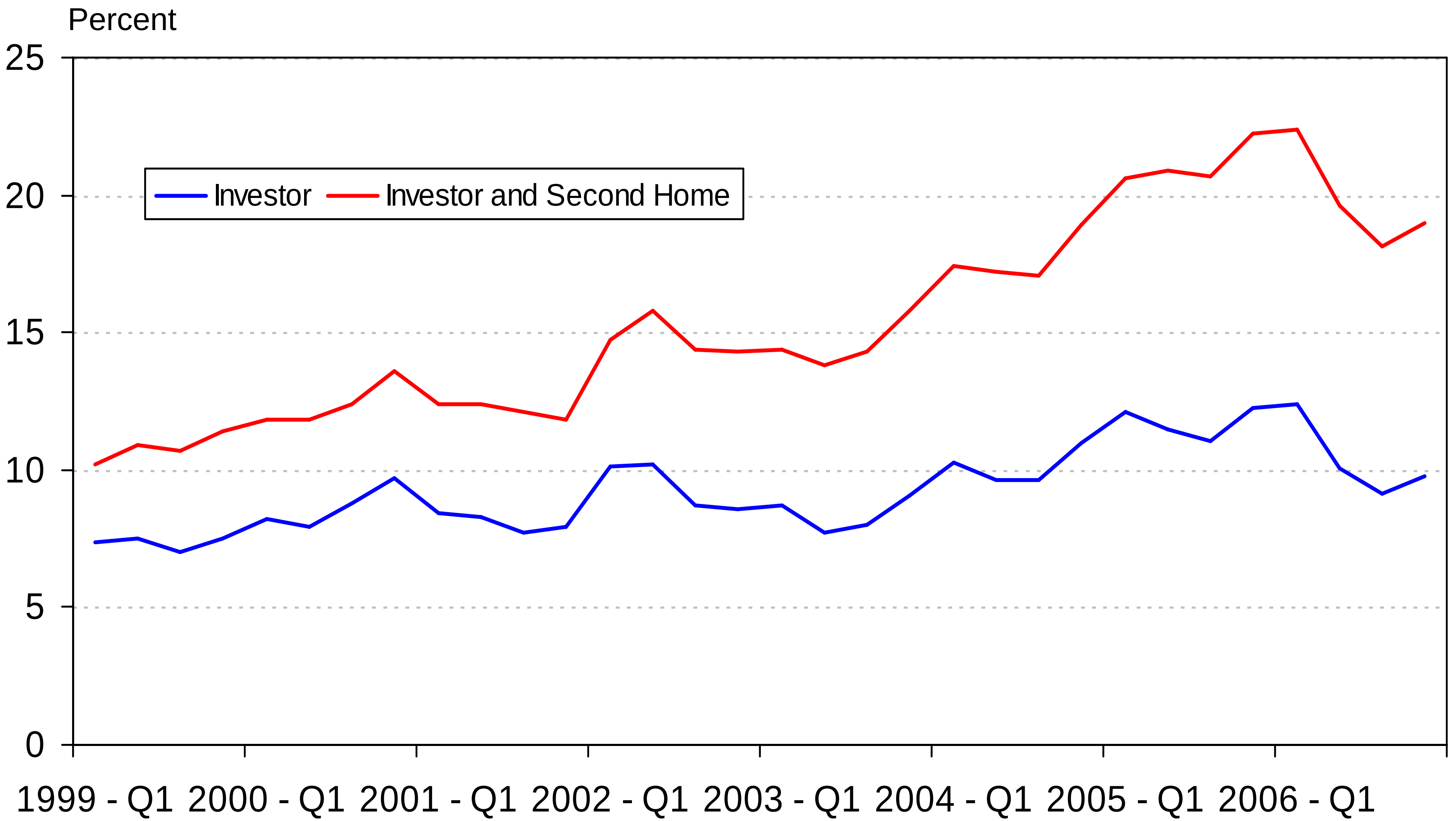
Source: First American LoanPerformance HPI

Nevada Home Price Appreciation of Single-family Detached Homes



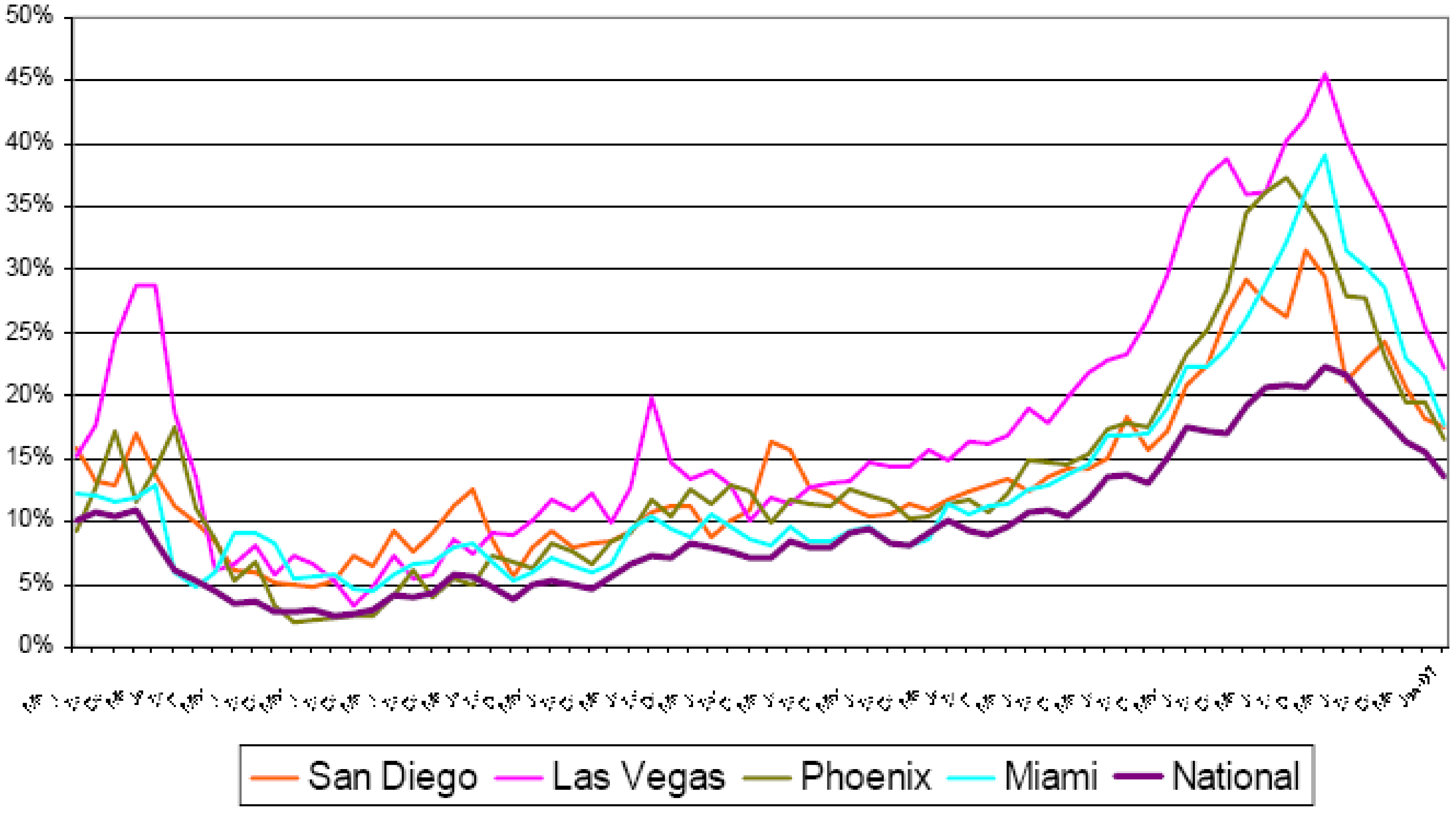
Source: First American LoanPerformance HPI

Investor and Second Home Shares for Prime Conventional Conforming Purchase Loans Peaked in 2006



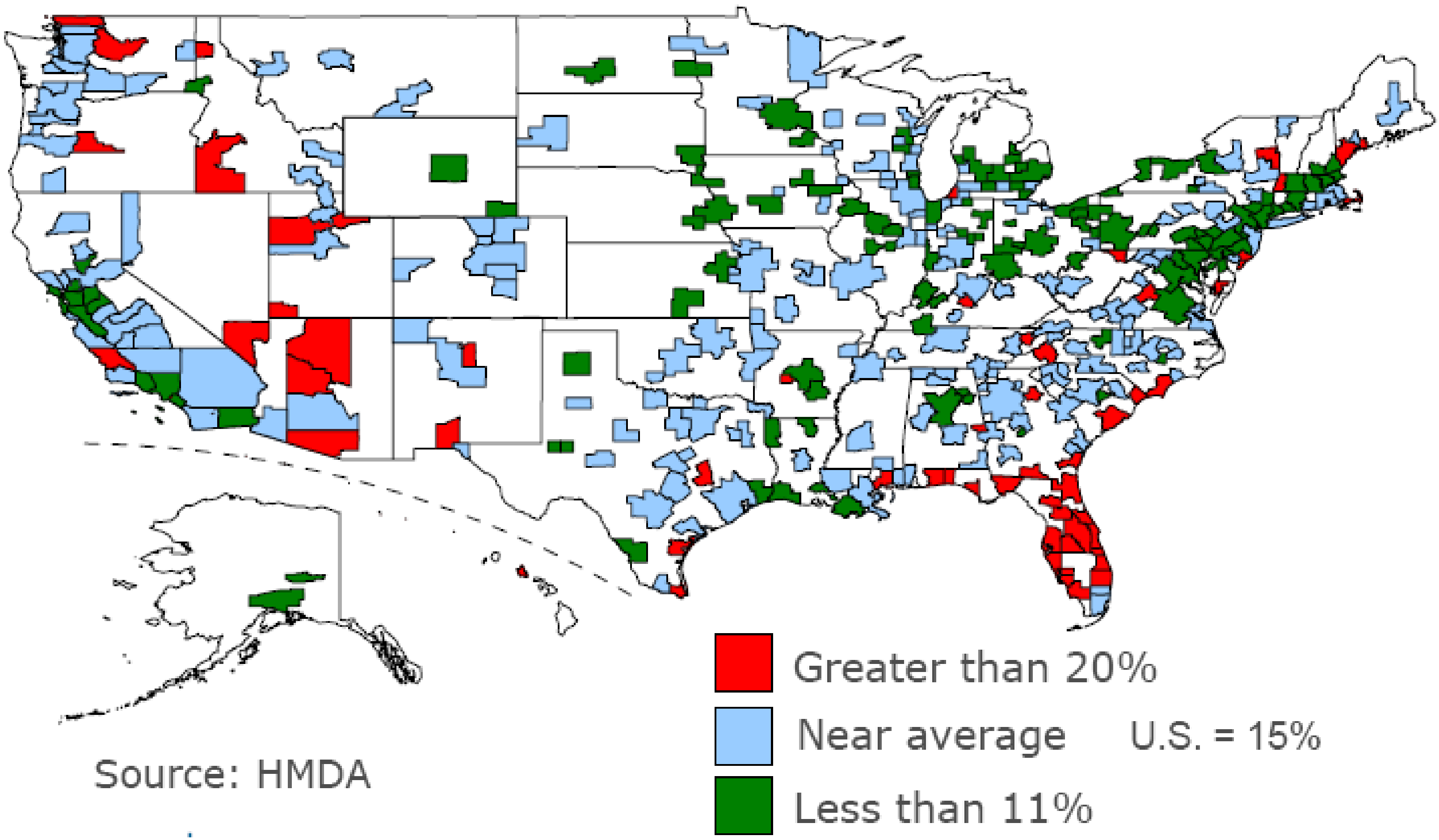
Source: LoanPerformance

Non-Owner Occupied Share, Selected MSAs



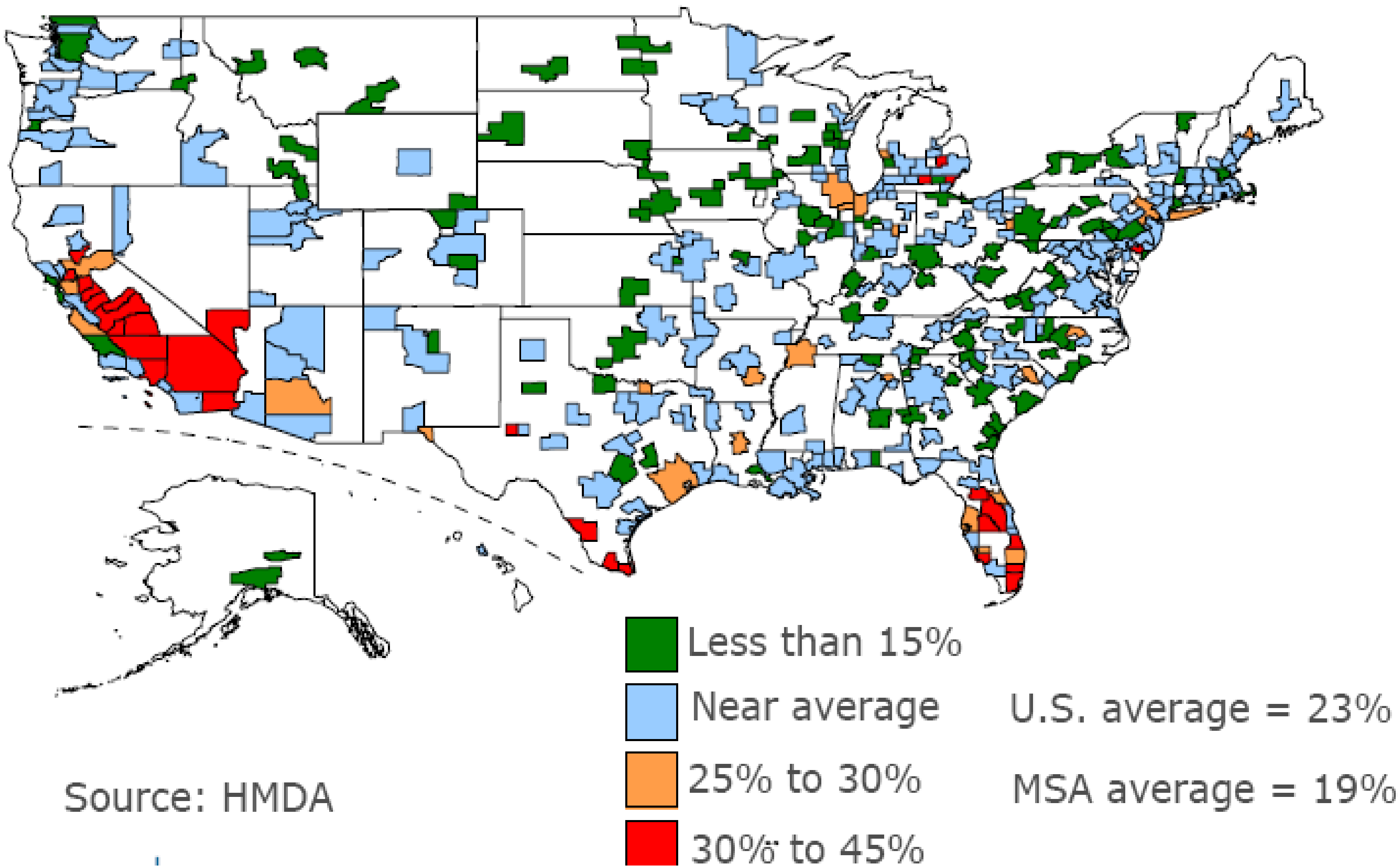
Source: LoanPerformance (data through June 2007)

Non-owner-occupied Share of Mortgage Originations by State



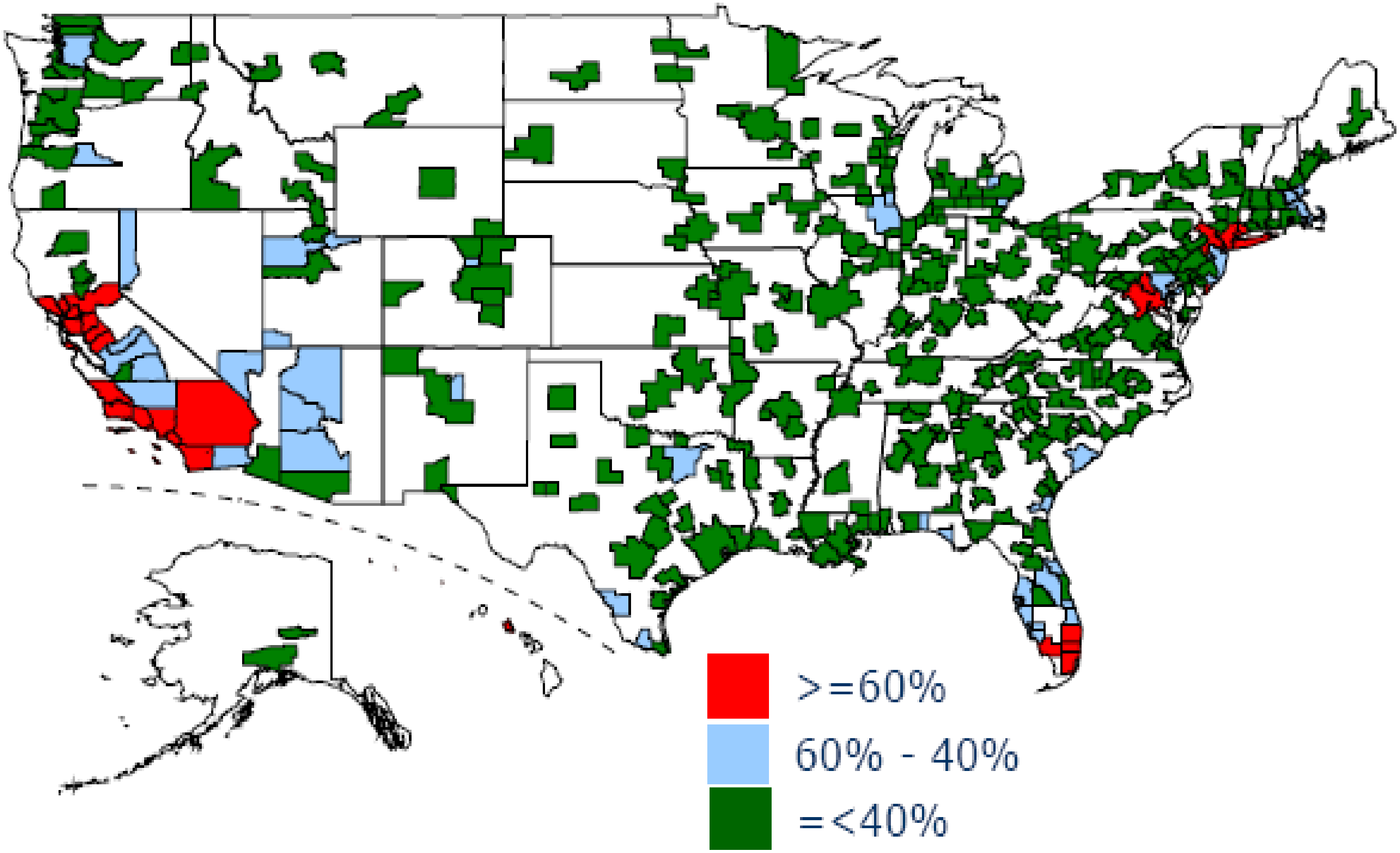
Source: 2006 Home Mortgage Disclosure Act

Subprime Share of Mortgage Originations by State:
Percent of Total Value



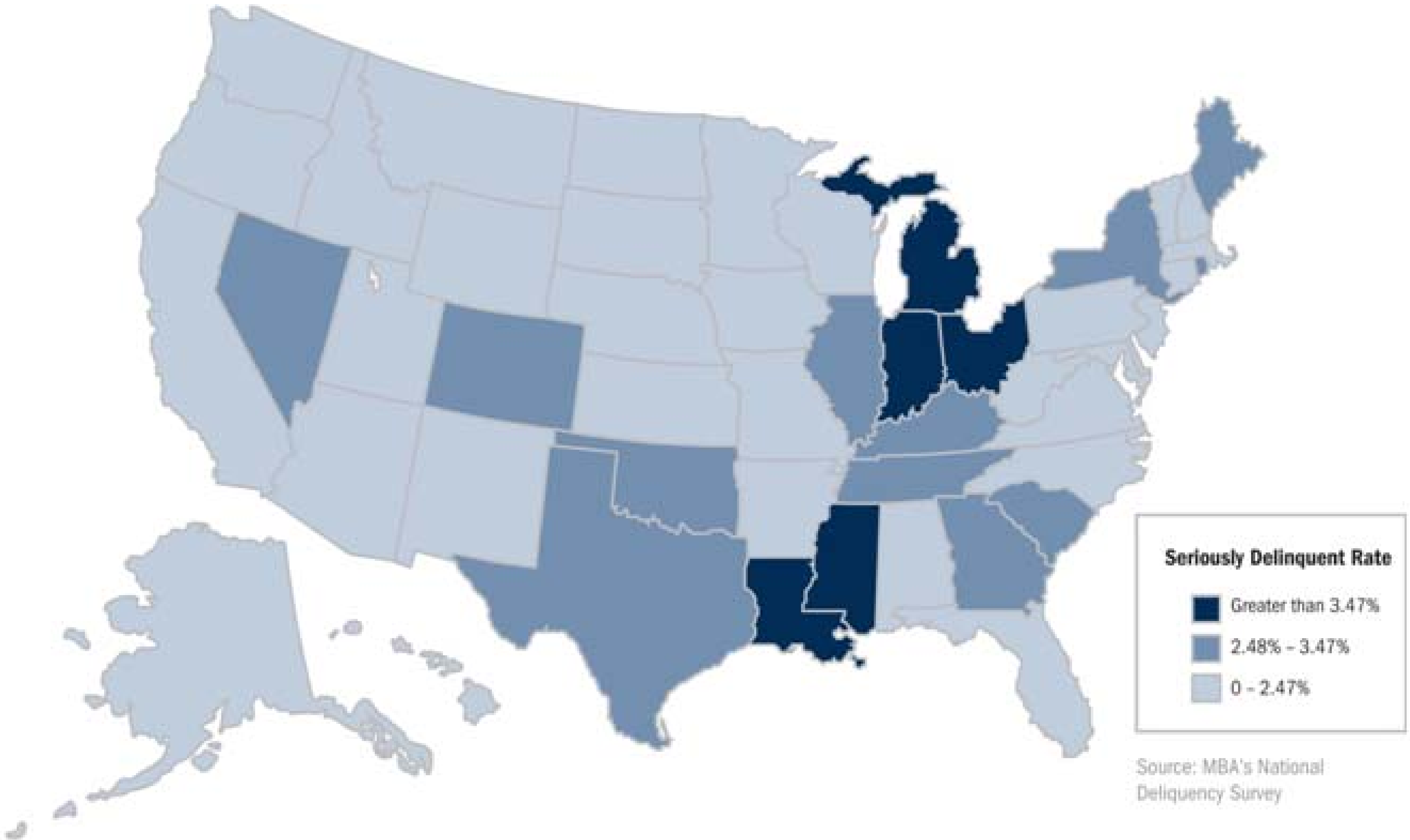
Source: 2006 Home Mortgage Disclosure Act and Economy.com

Non-conforming Share of Mortgage Originations by State:
50% for the Nation



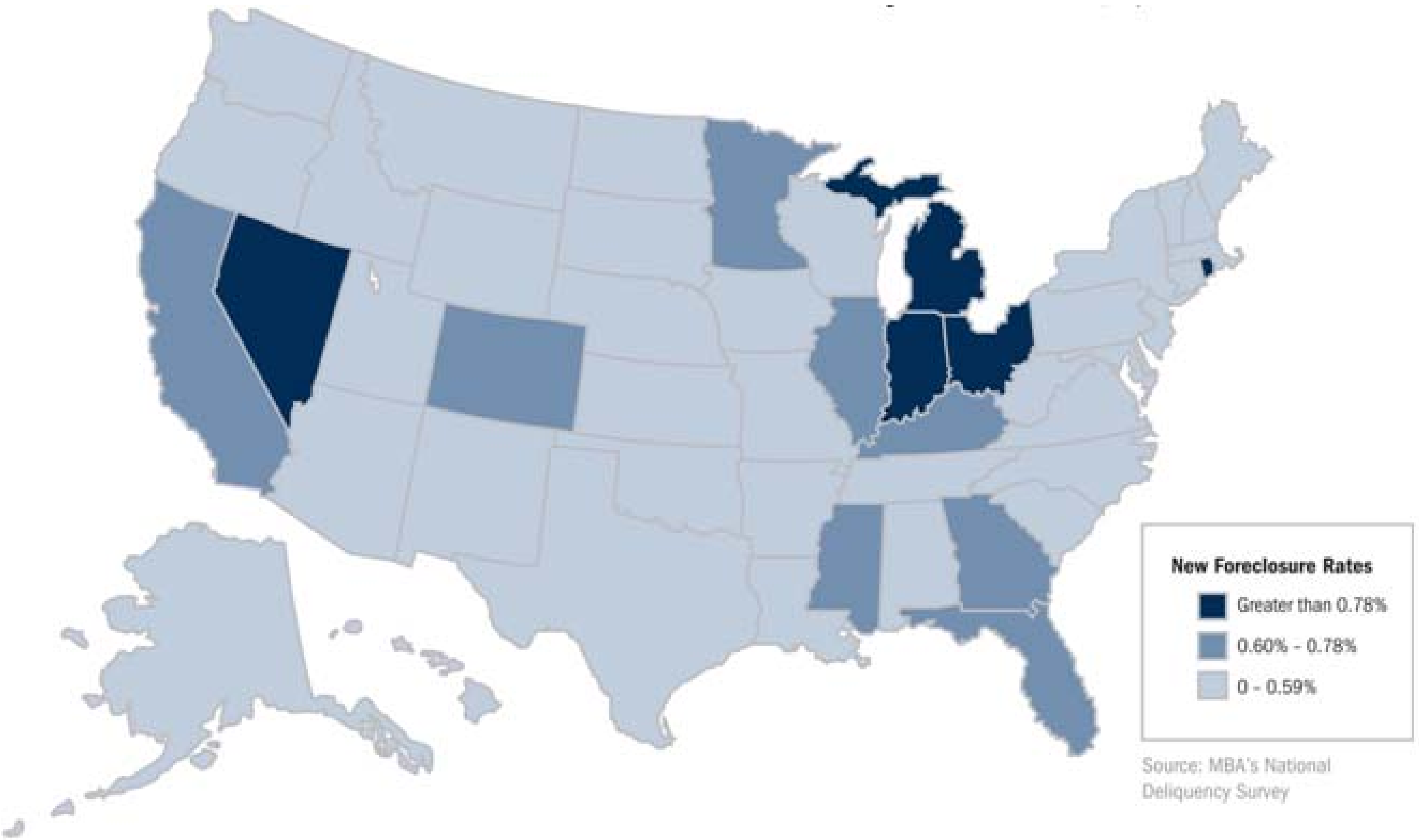
Source: 2006 Home Mortgage Disclosure Act

Seriously Delinquent Rate by State:
2007Q2



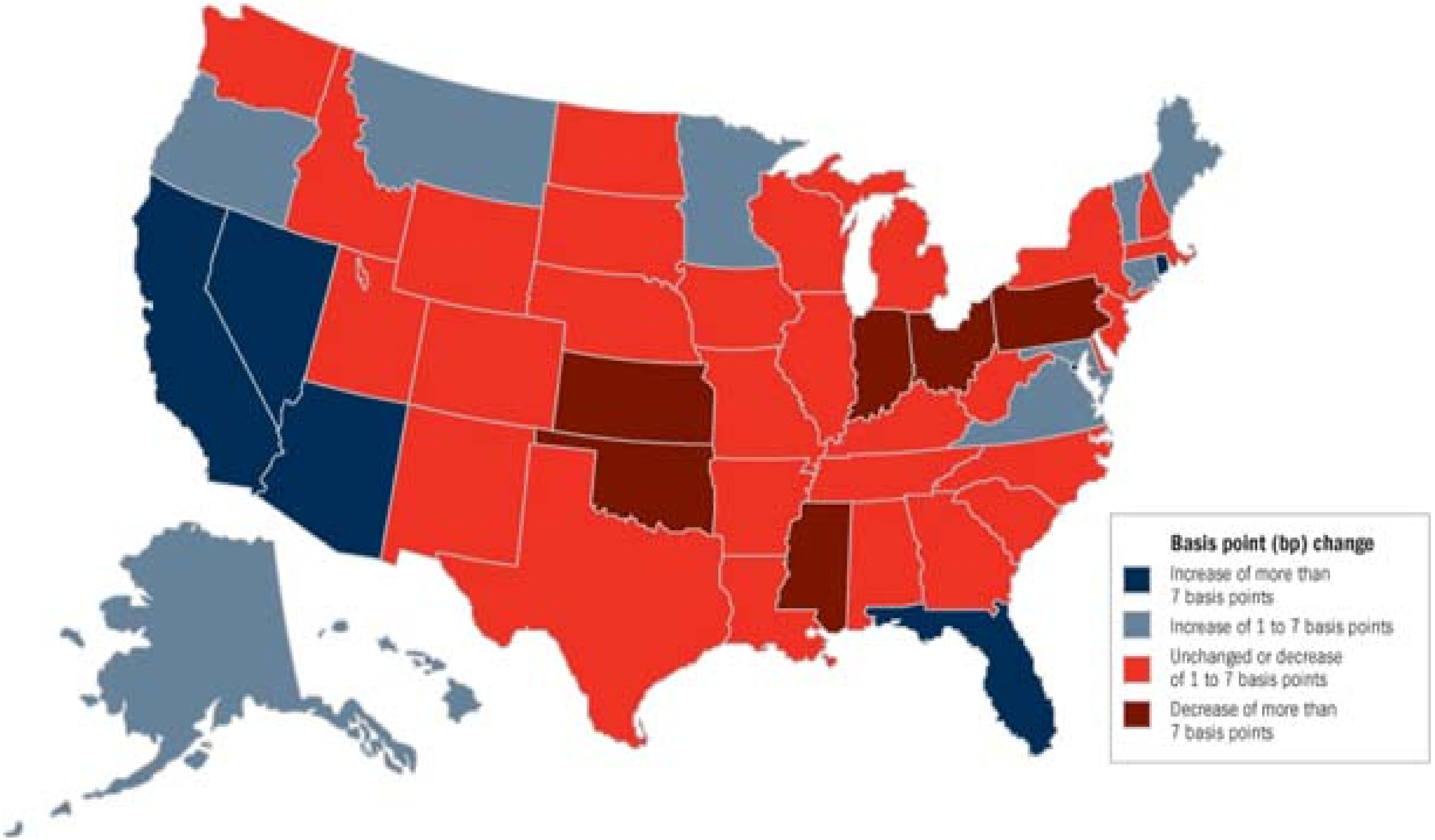
Source: MBA National Delinquency Survey

New Foreclosure Rate by State:
2007Q2



Source: MBA National Delinquency Survey

Change in New Foreclosure Rate by State:
2007Q1 to 2007Q2



Source: MBA National Delinquency Survey

Top 5 and Bottom 5 States Ranked by Seriously Delinquent Rate

Based on data as of Q2 2007

MORTGAGE BANKERS ASSOCIATION
Investing in communities

	Prime Fixed			Prime ARM			Subprime Fixed			Subprime ARM			FHA	
1	Ohio	1.86	1	Mississippi	4.89	1	Ohio	11.64	1	Ohio	22.85	1	Michigan	10.83
2	Indiana	1.57	2	Michigan	4.65	2	Mississippi	9.92	2	Michigan	21.08	2	Ohio	8.36
3	Mississippi	1.48	3	Indiana	4.45	3	Indiana	9.55	3	Indiana	19.28	3	Indiana	7.49
4	Louisiana	1.39	4	Ohio	4.33	4	Michigan	9.47	4	Iowa	17.96	4	Louisiana	7.15
5	Michigan	1.34	5	Oklahoma	3.98	5	Louisiana	9.29	5	Mississippi	17.86	5	South Carolina	7.05
	US	0.67		US	2.02		US	5.84		US	12.40		US	5.18
47	Virginia	0.25	47	Wyoming	0.95	47	Hawaii	2.52	47	Idaho	6.56	47	Montana	1.85
48	Washington	0.23	48	District of Columbia	0.93	48	Utah	2.39	48	Arizona	6.10	48	North Dakota	1.83
49	California	0.22	49	Idaho	0.78	49	Wyoming	2.37	49	Washington	5.55	49	Wyoming	1.62
49	Oregon	0.22	49	Oregon	0.78	50	Oregon	2.24	50	Oregon	5.41	50	Alaska	1.52
51	Wyoming	0.17	51	Washington	0.69	51	Alaska	1.53	51	Utah	4.29	51	Idaho	1.34

Source: MBA National Delinquency Survey

Percent of Defaults Due to Non-Owner Occupied Loans

Prime Loans		
	Percent of prime defaults due to non-owner occupied loans as of June 30, 2007	Share of prime home purchase loan originations for non-owner occupied properties in 2005, based on HMDA
Nevada	32%	29%
Arizona	26%	29%
Florida	25%	32%
California	21%	14%
All other states	13%	15%
Total US	16%	17%

Subprime Loans		
	Percent of subprime defaults due to non-owner occupied loans as of June 30, 2007	Share of subprime home purchase loan originations for non-owner occupied properties in 2005, based on HMDA
Nevada	24%	14%
Arizona	18%	14%
Florida	14%	15%
California	15%	7%
All other states	11%	10%
Total US	12%	10%

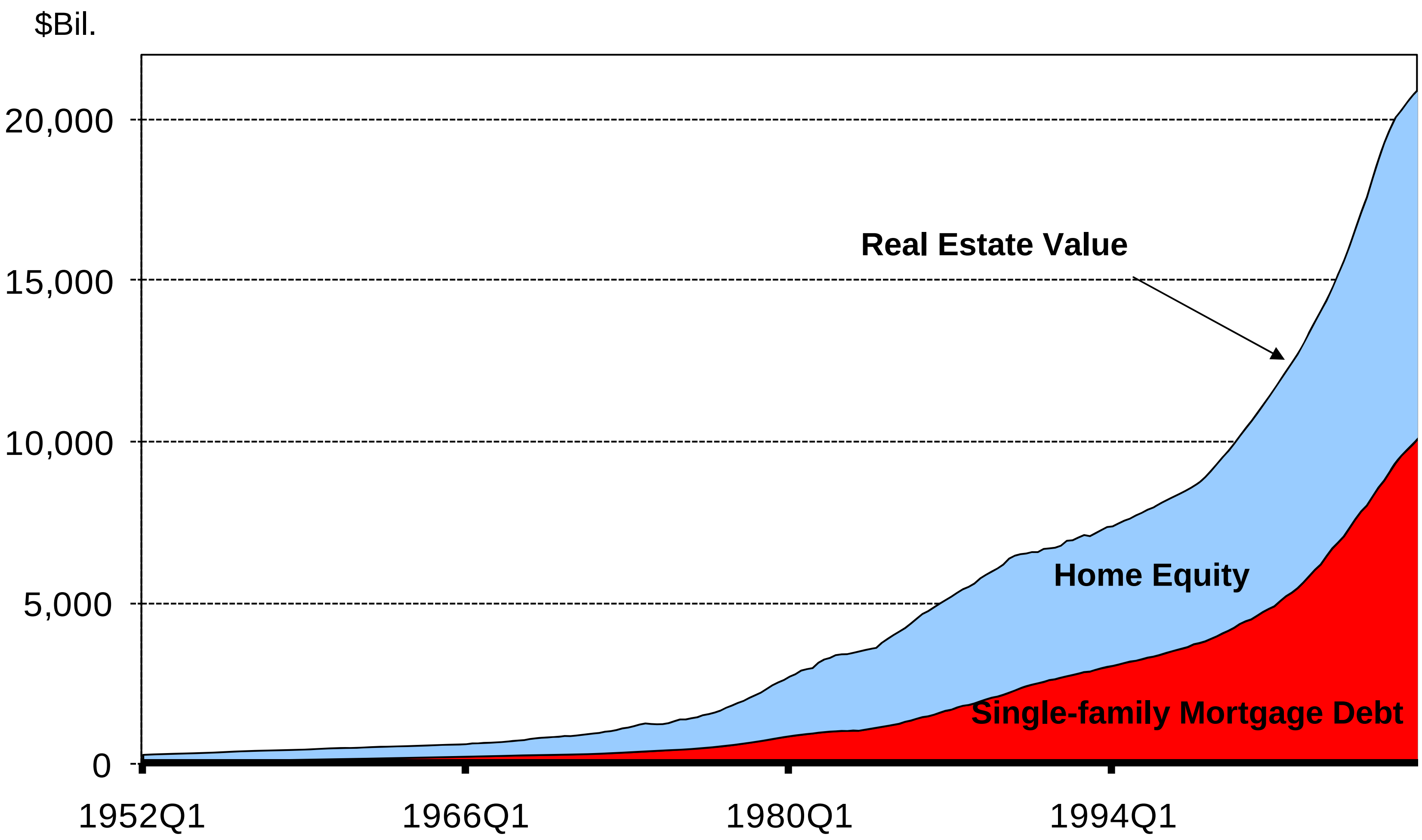
Source: MBA, Home Mortgage Disclosure Act 2005 Report

Big Picture: One-Third of Homeowners Have No Mortgages

Percent of Homeowners with No Mortgage	35.0%			
Percent of Homeowners with A Mortgage	65.0%		For Homeowners With A Mortgage	
Prime Fixed		39.9%	Prime Fixed	61.5%
Prime ARM		9.9%	Prime ARM	15.2%
Subprime Fixed		4.3%	Subprime Fixed	6.6%
Subprime ARM		4.8%	Subprime ARM	7.4%
FHA Fixed		4.0%	FHA Fixed	6.4%
FHA ARM		0.3%	FHA ARM	0.5%
VA		1.8%	VA	2.5%
Total	100.0%		Total	100.0%

Source: MBA National Delinquency Survey, 2007Q2 and 2005 American Housing Survey

Big Picture: Homeowners Have Considerable Equity



Source: Federal Reserve Board

November Forecast

	2007.1	2007.2	2007.3	2007.4	2008.1	2008.2	2008.3	2008.4	2009.1	2009.2	2009.3	2009.4	2006	2007	2008	2009
Housing Measures (000)																
Total Housing Starts	1,460	1,464	1,296	1,173	1,144	1,120	1,095	1,131	1,143	1,200	1,260	1,320	1,801	1,348	1,123	1,231
% change	-6.1	0.3	-11.5	-9.5	-2.5	-2.1	-2.2	3.3	1.0	5.0	5.0	4.8	-12.9	-25.1	-16.8	9.6
Single-family	1,172	1,166	1,000	875	850	825	800	835	850	900	950	1,000	1,465	1,053	828	925
% change	-4.8	-0.5	-14.2	-12.5	-2.9	-2.9	-3.0	4.4	1.8	5.9	5.6	5.3	-14.6	-28.1	-21.4	11.8
Multi-family	288	299	296	298	294	295	295	296	293	300	310	320	336	295	295	306
% change	-10.7	3.6	-0.9	0.6	-1.3	0.3	0.0	0.5	-1.3	2.5	3.3	3.2	-4.7	-12.0	0.0	3.6
Total Existing Home Sales	6,423	5,917	5,423	5,058	5,011	4,989	4,977	5,115	5,171	5,292	5,319	5,363	6,478	5,705	5,023	5,286
% change	2.6	-7.9	-8.3	-6.7	-0.9	-0.4	-0.3	2.8	1.1	2.3	0.5	0.8	-8.4	-11.9	-12.0	5.2
New Home Sales	853	855	768	741	729	715	700	719	731	759	788	817	1,051	804	716	774
% change	-13.5	0.2	-10.2	-3.5	-1.6	-2.0	-2.0	2.6	1.6	3.9	3.8	3.7	-18.1	-23.5	-11.0	8.1
Total Existing Home Prices	214.0	223.9	221.6	202.4	212.3	212.6	221.4	197.1	216.5	213.6	224.2	203.5	221.9	215.5	210.8	214.4
% change	-2.4	4.6	-1.0	-8.6	4.9	0.1	4.1	-11.0	9.9	-1.4	4.9	-9.2	1.0	-2.9	-2.2	1.7
New Home Prices	255.9	241.0	238.6	233.0	251.8	235.7	234.2	228.9	252.5	238.0	236.6	232.3	246.5	242.1	237.7	239.9
% change	4.4	-5.8	-1.0	-2.3	8.0	-6.4	-0.7	-2.3	10.3	-5.7	-0.6	-1.8	2.3	-1.8	-1.9	0.9
Interest Rates (%)																
30-Year FRM Contract Rate	6.2	6.4	6.6	6.2	6.3	6.4	6.5	6.8	6.7	6.8	6.7	6.8	6.4	6.3	6.5	6.8
10-Year Treasury Yield	4.7	4.8	4.7	4.5	4.6	4.7	4.8	5.0	5.0	5.0	5.0	5.0	4.8	4.7	4.8	5.0
1-Year Treasury ARM	5.5	5.6	5.7	5.5	5.6	5.6	5.7	5.7	5.7	5.8	5.8	5.8	5.5	5.5	5.6	5.8
1-Year Treasury Yield	5.0	4.9	4.5	4.0	4.1	4.1	4.2	4.3	4.3	4.3	4.3	4.3	4.9	4.6	4.2	4.3
Total 1-4 Family (Bil.$)	631	693	556	437	544	450	443	422	485	423	431	421	2,726	2,317	1,859	1,760
Purchase	271	353	311	227	245	243	248	226	252	254	267	248	1,400	1,163	962	1,021
Refinance	360	339	245	210	299	207	195	196	233	169	164	173	1,326	1,153	897	738
Refinance Share (%)	57	49	44	48	55	46	44	46	48	40	38	41	49	50	48	42
ARM Share (%)	11	11	12	12	10	10	11	11	12	13	11	13	22	11	11	12

* MBA estimate

Notes: Housing starts and home sales are seasonally adjusted at annual rates.
Median home prices and mortgage originations are not seasonally adjusted.
Refinance Share is percent of total dollar volume of originations.
ARM share is percent of total number of conventional purchase loans.

Contact Information & MBA Resources

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MBA homepage: www.mortgagebankers.org

Research and Forecasts:

http://www.mortgagebankers.org/ResearchandForecasts/EconomicOutlookandForecasts

Research Data:

http://www.mortgagebankers.org/ResearchandForecasts/ProductsandSurveys

MBA Research DataNotes:

http://www.mortgagebankers.org/ResearchandForecasts/EconomicOutlookandForecasts/DataNotes.htm

Research Institute for Housing America:

http://www.housingamerica.org/sitemap.html

Home Loan Learning Center:

http://www.homeloanlearningcenter.com/default.html

MBA Newslink:

http://www.mortgagebankers.org/NewsandMedia/MBANewsLink