Market Spotlight:
2011 Offers Golden Opportunity

Homeowners Live with the Payment, Not the Price

Believe it or not, the average mortgage rate near the end of 2010 was less than half the 30-year average of 9%. The combination of historically low rates and more attractive prices means that homes are generally more affordable today than at any time in the last 40 years.* As a result, more families have the chance to buy a home and benefit from reasonable housing payments for many years to come.

Principal and interest payments on a 30-year fixed rate loan in the amount of $250,000		
Interest Rate	Monthly Payment	Interest Paid Over First 10 Years
4.5%	**$1,266.71**	**$102,228**
5.5%	**$1,419.47**	**$126,689**
6.5%	**$1,580.17**	**$151,562**

The difference in payments between a loan at **4.5%** and **5.5%** is **$152.76** each month, **$1,833** per year, **$18,330** over 10 years and **$54,990** over the life of the loan.

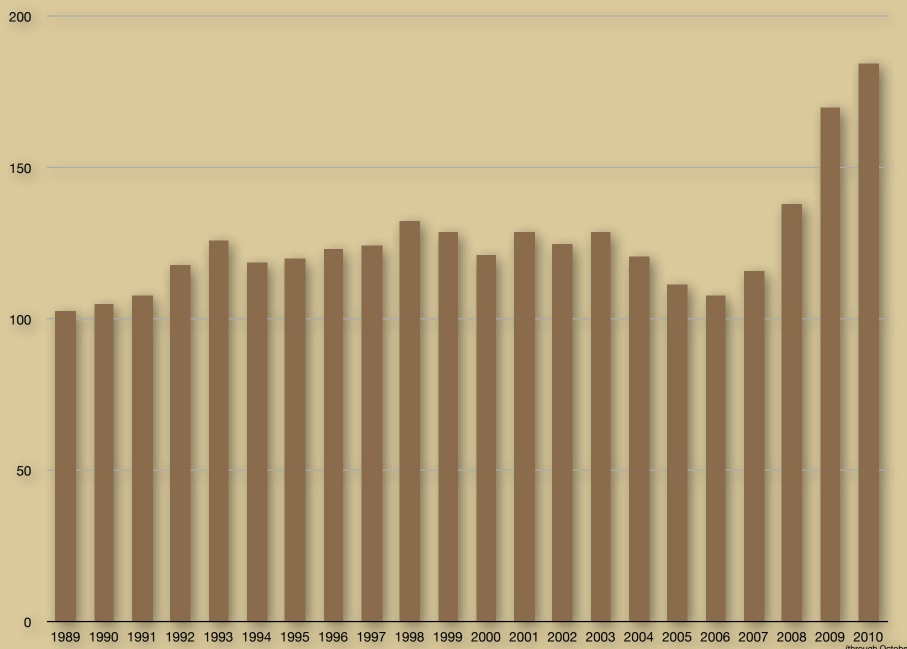
**Source: Joint Center for Housing Studies of Harvard University*

If the interest rate increases by only 1%, it has the same effect on the monthly payment as a 12% price increase.

Low rates can also make it possible for buyers or refinancing homeowners to shorten the term of their mortgage. A borrower who chooses a 15-year loan typically receives a slightly lower interest rate, begins building equity more quickly and saves thousands of dollars in interest payments over the life of his or her loan. A shorter term also makes it more likely that a mortgage can be paid off entirely prior to retirement.

Total Interest Paid on a **30-year fixed loan at 4.5%**	**$206,017** (Payment of $1,266.71 per month)
Total Interest Paid on a **15-year fixed loan at 4.0%**	**$82,860** (Payment of $1,849.22 per month)
TOTAL INTEREST SAVINGS	**$123,157**

Low Rates + Low Prices = High Affordability



Housing Affordability Index

Source: National Association of Realtors®