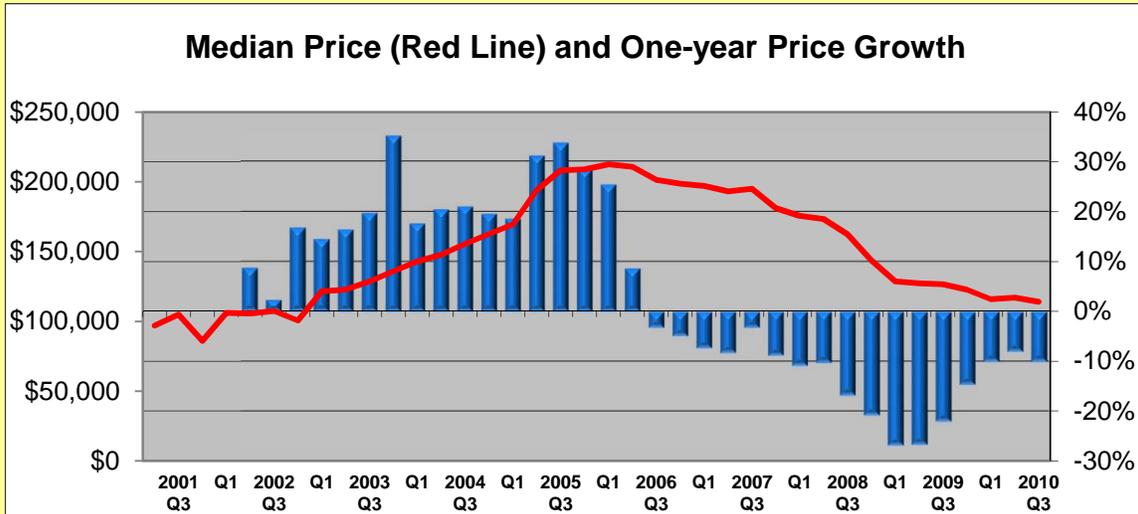


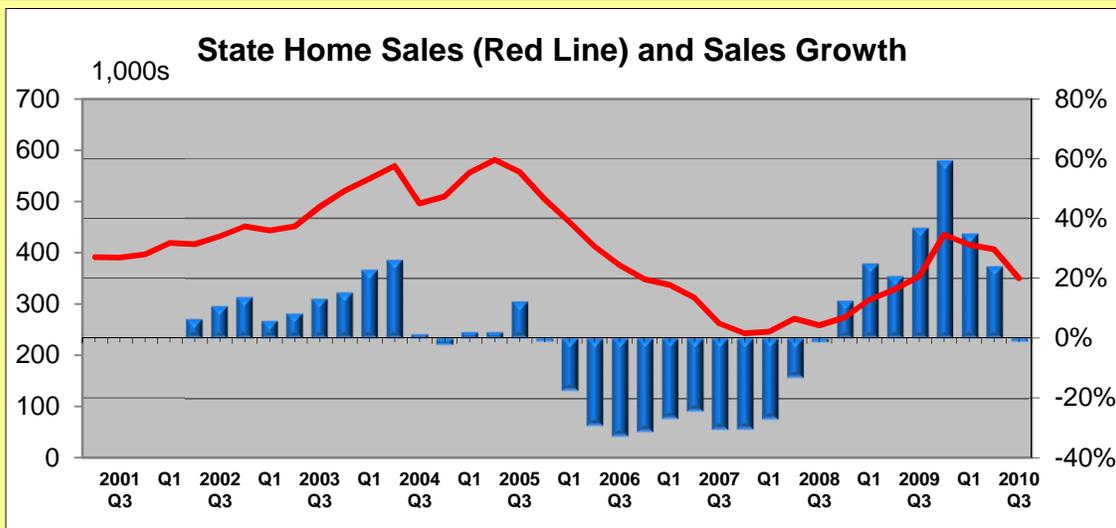
Deltona-Daytona Beach-Ormond Beach Area Local Market Report, Third Quarter 2010



Today's Market...



	Daytona	U.S.	Local Trend
Price Activity			
Current Median Home Price (2010 Q3)	\$114,000	\$177,100	Prices are down compared to a year earlier and continue to weaken
1-year (4-quarter) Appreciation (2010 Q3)	-10.0%	-0.6%	
3-year (12-quarter) Appreciation (2010 Q3)	-41.5%	-19.9%	
3-year (12-quarter) Housing Equity Gain*	-\$81,000	-\$44,000	The relatively recent correction in local home prices wiped out most of the equity gained over the last 7 years
7-year (28 quarters) Housing Equity Gain*	-\$14,600	-\$6,000	
9-year (36 quarters) Housing Equity Gain*	\$9,100	\$21,500	
*Note: Equity gain reflects price appreciation only			
Conforming Loan Limit**	\$417,000	\$729,250	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$303,750	\$417,000	
Local Median to Conforming Limit Ratio	27%	not comparable	
**Note: the 2009 loan limits for FHA and the GSEs were extended through 2010.			

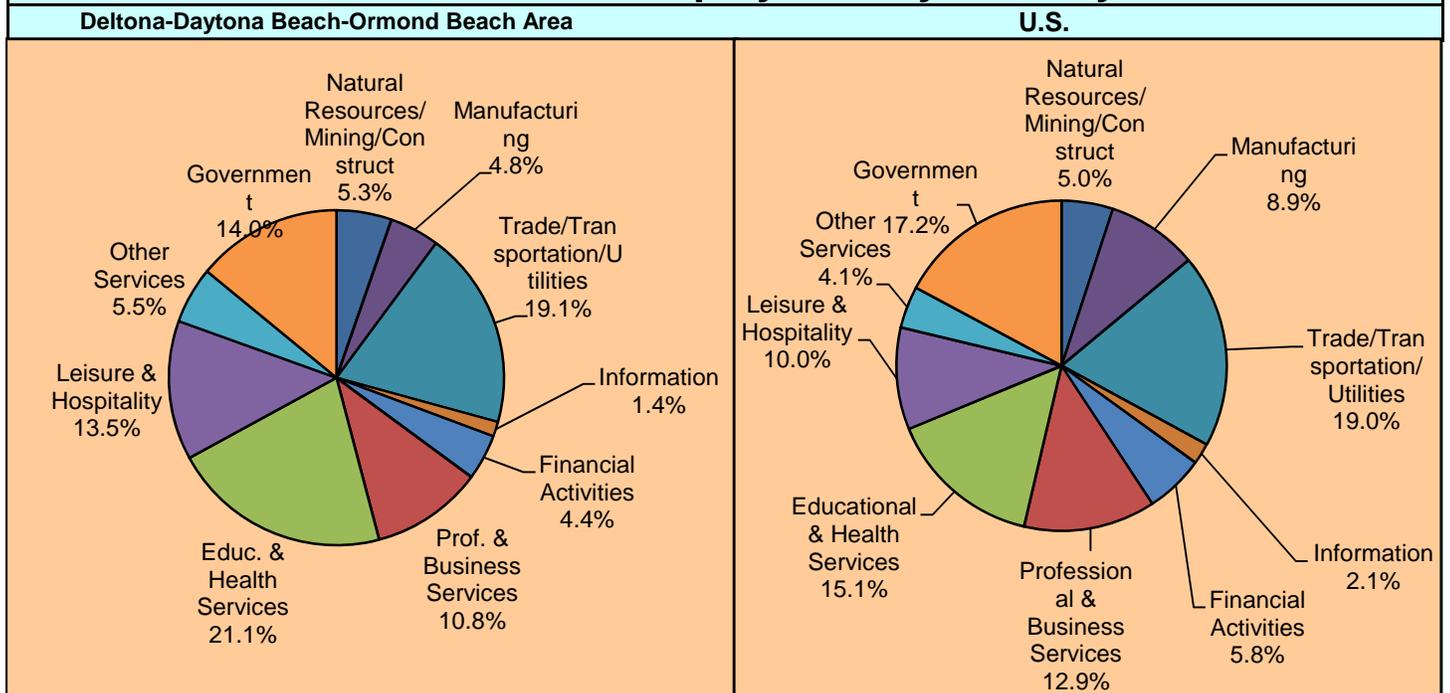


Home Sales	Florida	U.S.	
State Existing Home Sales (2010 Q3 vs 2009 Q3)	-1.0%	-21.2%	Sales growth slipped during the third quarter

Drivers of Local Supply and Demand...

Local Economic Outlook	Daytona	U.S.	
12-month Job Change (Sep)	100	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Aug)	-300	Not Comparable	
36-month Job Change (Sep)	-18,100	Not Comparable	Daytona's unemployment situation is worse than the national average and weighs on confidence
Current Unemployment Rate (Sep)	12.5%	9.6%	
Year-ago Unemployment Rate	11.7%	9.8%	Local employment growth is respectable compared to other markets
1-year (12 month) Job Growth Rate	0.1%	-1.7%	

Share of Total Employment by Industry



12-month Employment Change by Industry in the Deltona-Daytona Beach-Ormond Beach Area

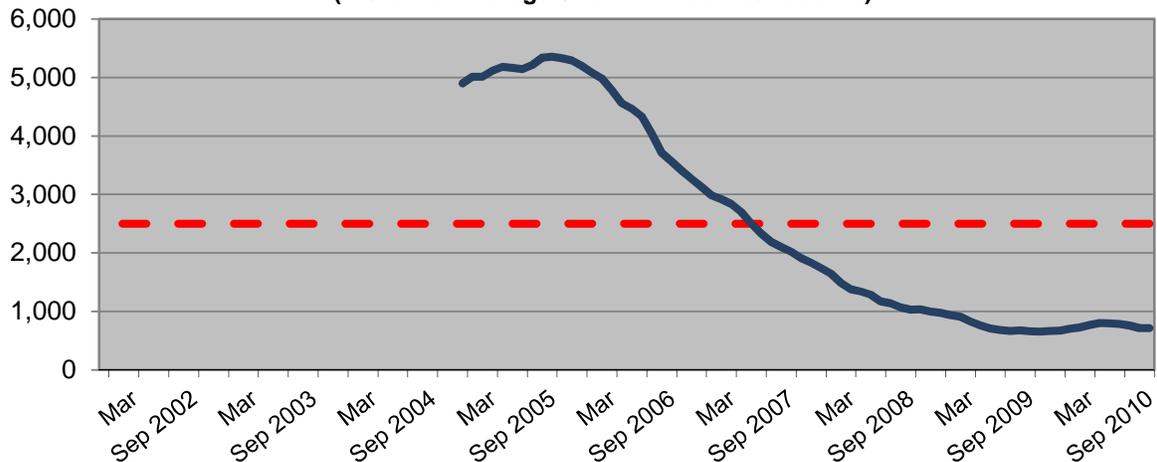
Goods Producing	NA	Information	-100
Natural Resources/Mining/Construction	-400	Financial Activities	-200
Natural Resources and Mining	NA	Prof. & Business Services	0
Construction	NA	Educ. & Health Services	1,400
Manufacturing	-300	Leisure & Hospitality	800
Service Providing Excluding Government	NA	Other Services	-100
Trade/Transportation/Utilities	-300	Government	-700

State Economic Activity Index	Florida	U.S.	
12-month change (2010 - Sep)	0.7%	1.6%	The economy of Florida is growing more slowly than the rest of the nation, but improved modestly from last month's 0.4% change
36-month change (2010 - Sep)	-11.2%	-4.6%	

New Housing Construction

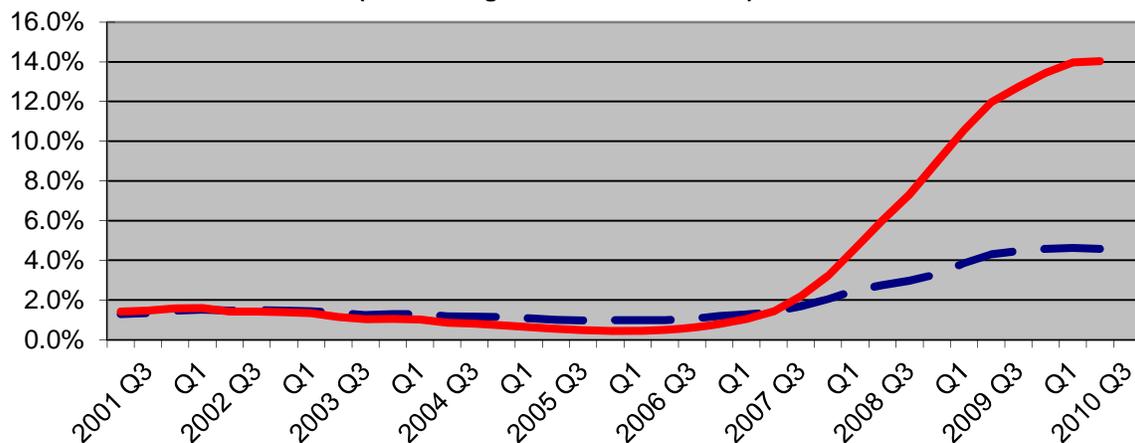
Local Fundamentals	Daytona	U.S.	
12-month Sum of 1-unit Building Permits through Sep 2010	715	not comparable	The current level of construction is 71.4% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	2,498	not comparable	Excess supply reduction could result in price escalation over the longer-term if, in the future, there is a rapid and robust increase in demand
Single-Family Housing Permits (Sep 2010) 12-month sum vs. a year ago	7.7%	8.8%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized

Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)



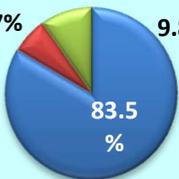
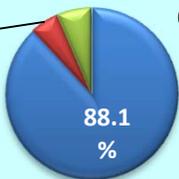
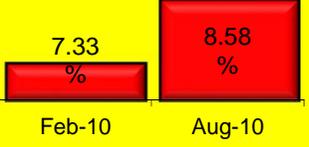
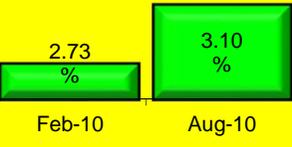
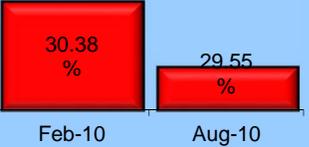
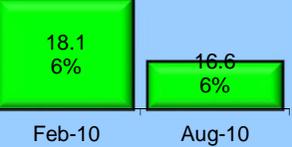
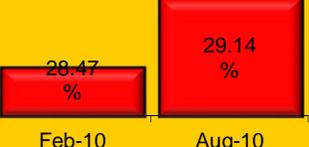
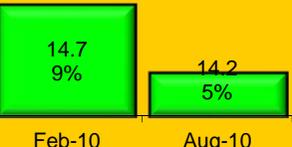
While new construction is the traditional driver of supply in real estate, foreclosures now have a strong impact on inventories, particularly at the local level. Rising inventories, through construction or foreclosure, place downward pressure on the median home prices.

State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

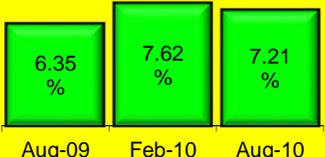
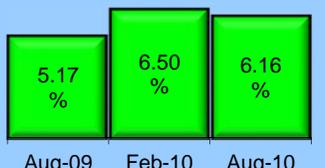
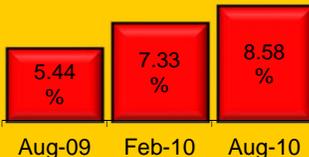
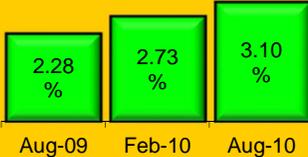
Foreclosures by Type

Monthly Market Data - August 2010	Daytona	U.S.	
Market Share: Prime (blue), Alt-A (green), and Subprime (red)			The Daytona market has a lower share of subprime loans than the average market, but rising prime foreclosures are becoming a problem
PRIME: Foreclosure + REO Rate			<p>There was a substantial increase versus February of this year</p> <p>The current local prime rate is high compared with the current U.S. average</p>
SUBPRIME: Foreclosure + REO Rate			<p>The local subprime rate eased modestly relative to February of this year</p> <p>The current local rate is high given the U.S. average</p>
ALT-A: Foreclosure + REO Rate			<p>The alt-A foreclosure rate rose slightly over the most recent 6 months</p> <p>The current rate for Daytona is high compared with the U.S. average</p>

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

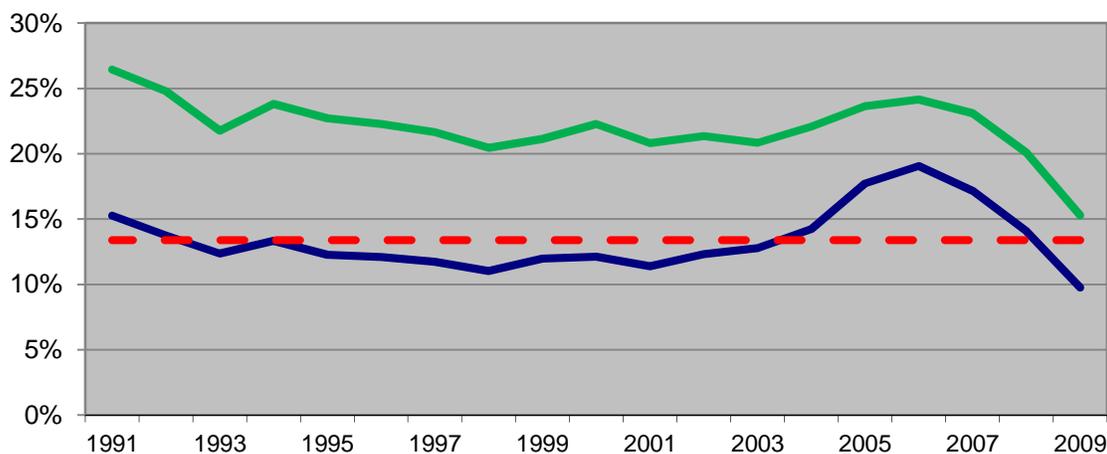
Monthly Market Data - August 2010	Daytona	U.S.	
Prime: 60-day Delinquent			The 60-day delinquency rose over the most 6 months ending in August suggesting that the 90-day delinquency rate is likely to rise in the near future
Prime: 90-day Delinquent			Daytona's 90-day delinquency rate climbed faster than the national average over the most recent 6-month period suggesting a bulge of foreclosures in the future
Prime: Foreclosure + REO Rate			The increase in both the 60 and 90-day delinquency rates over the most recent 6-month period will press up on local prime foreclosure rate in the near future.

Source: First American CoreLogic, LoanPerformance data

Affordability

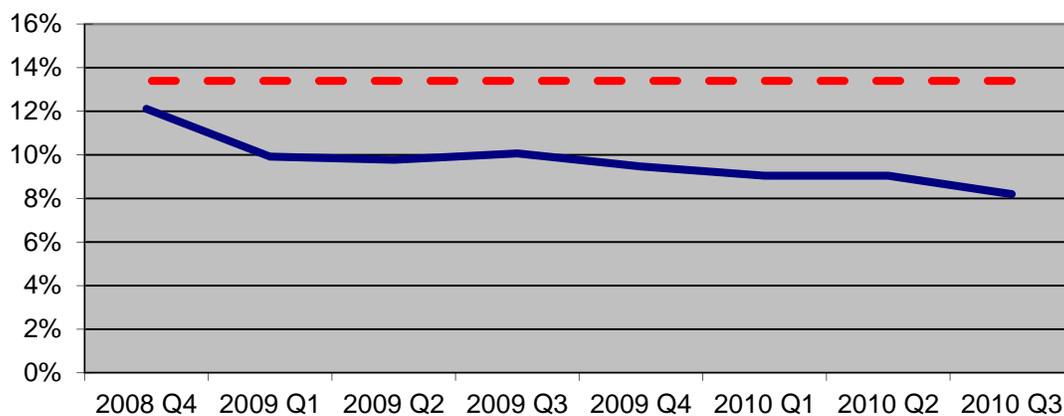


Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

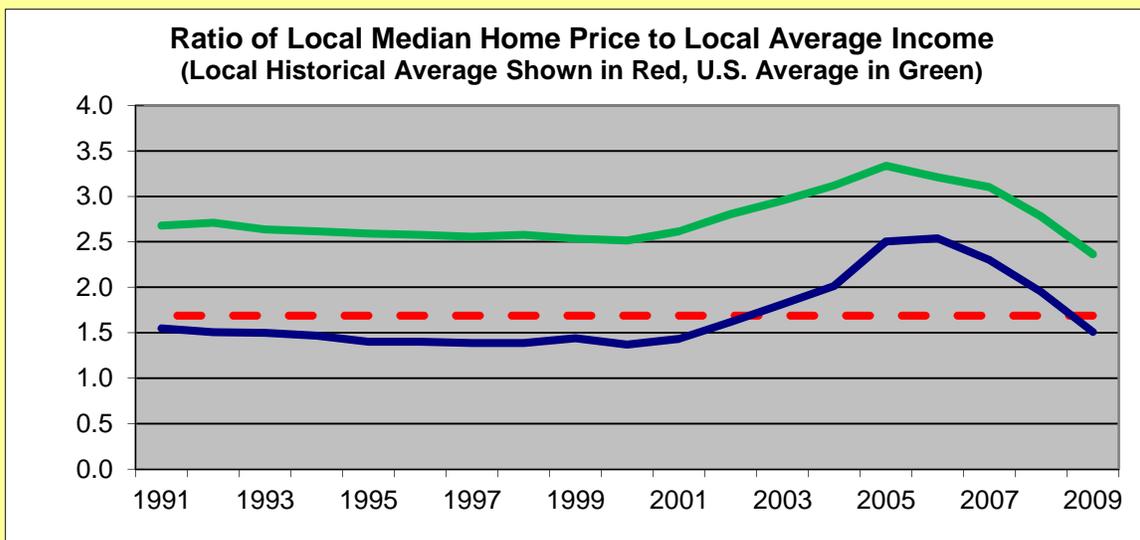


Monthly Mortgage Payment to Income	Daytona	U.S.	
Ratio for 2008	9.8%	15.3%	Historically strong and an improvement over the second quarter of 2010
Ratio for 2010 Q3	8.2%	14.3%	
Historical Average	13.4%	22.6%	More affordable than most markets

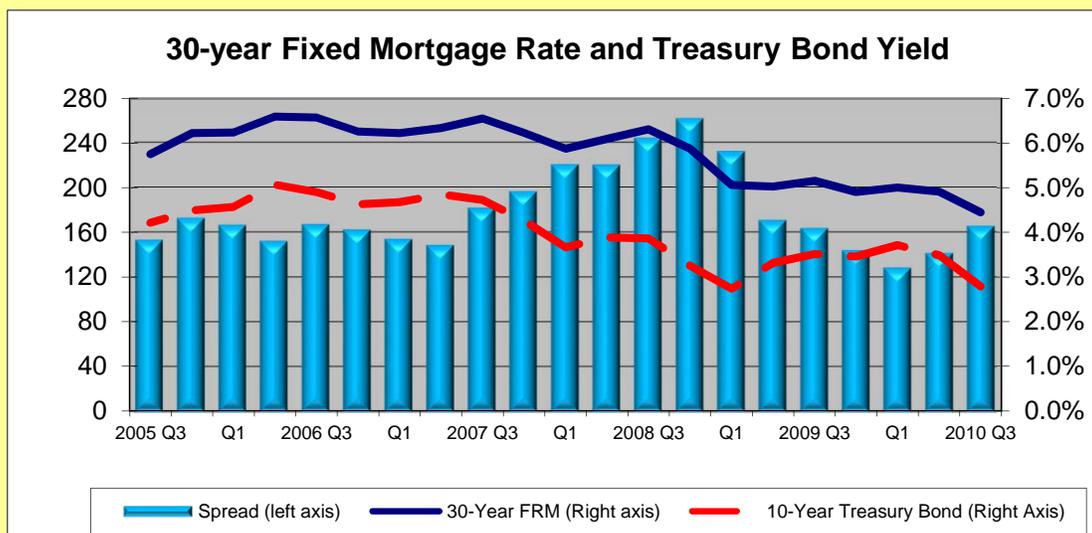
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Daytona	U.S.	
Ratio for 2009	1.5	2.4	The price-to-income ratio has fallen and is below the historical average
Ratio for 2010 Q3	1.4	2.4	
Historical Average	1.7	2.7	Affordable compared to most markets

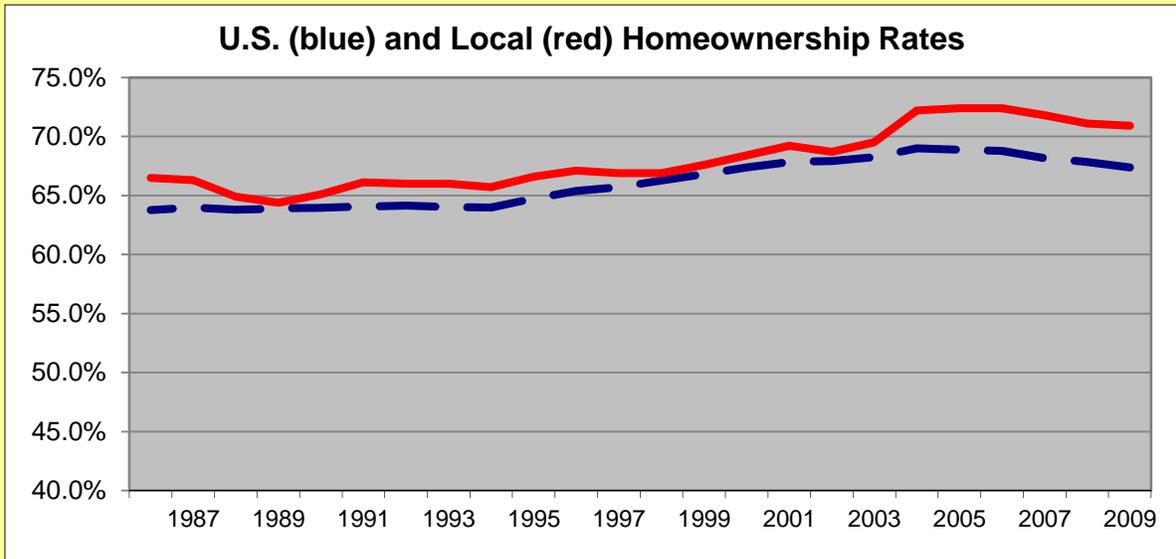


The Mortgage Market



After rising in the first half of the second quarter, the average 30-year fixed rate mortgage followed the 10-year Treasury bond downward in the third quarter. The sharp drop in home sales in July following the expiration of the Federal tax credit sent stock markets into a quandary. Soft economic indicators in July and August maintained this pattern, but by August, rates were falling for a different reason. Speculation that the Federal reserve would engage in a second round of mortgage and Treasury purchases to stimulate the economy by lowering the cost of borrowing, dubbed QE2 for the second round of such quantitative easing, sent the yield on the 10-year Treasury to record lows and the 30-year fixed rate mortgage followed suit. The average 30-year fixed rate mortgage, as measured by Freddie Mac, registered 4.32% in the first week of September, a record, and stayed under 4.4% the entire month. However, the spread between the 10-year Treasury and 30-year FRM rose 24 basis points in the third quarter to 166. The bulk of the Federal Reserve's quantitative easing was expected to be implemented through purchases of 2-year and 10-year Treasury notes. Consequently, demand for these instruments surged relative to long-term mortgage debt, which caused the spread to widen.

A Closer Look...At Homeownership



Homeownership Rate	Florida	U.S.	
Ratio for 2009	70.9%	67.4%	Florida's homeownership rate fell in recent years, but was above the national average in 2009.
Ratio for 2010 Q3	68.3%	66.9%	
Historical Average	68.0%	66.5%	

Nationally, nearly 6.5 million homes went into foreclosure from 2005 through 2009. As a result, the homeownership rate fell from a high of 69.0% in 2004 to 67.4% in 2009. The share of homes owned by investors and banks has grown and this trend will weigh on the homeownership rate for years to come. Locally, there were 884,282 foreclosures in Florida over this same 5-year period. The result was a decline in the statewide homeownership rate from its recent peak of 72.4% in 2006 to 70.9% in 2009.

Geographic Coverage for this Report

The Daytona area referred to in this report covers the geographic area of the Deltona-Daytona Beach-Ormond Beach 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:

Volusia County

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