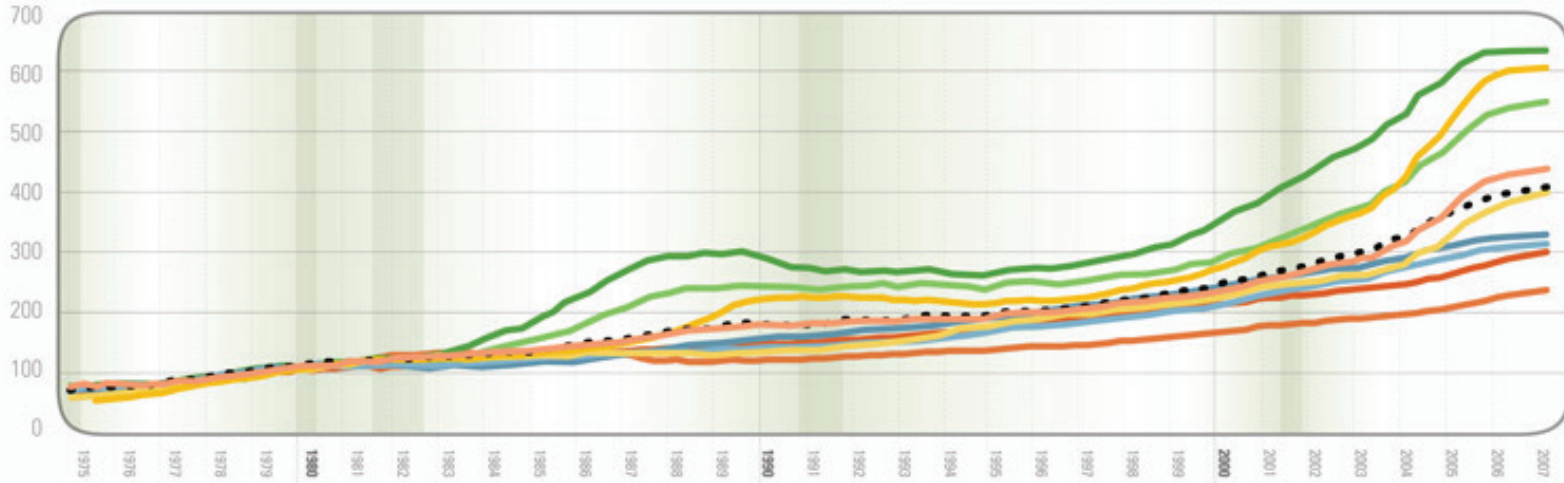


HOUSING PRICE INDEX BY CENSUS DIVISION

The HPI is based on repeat sales or appraisals of specific properties using conforming loans. It excludes condos, coops and multi-family properties.



Census Division	Appreciation	Rate of Return on 20% Down Payment
New England	7.32%	36.60%
Pacific	8.56%	42.80%
Mid-Atlantic	6.77%	33.85%
South Atlantic	5.97%	29.85%
USA	5.98%	29.90%
Mountain	6.37%	31.85%
East North Central	5.17%	25.85%
West North Central	4.97%	24.85%
East South Central	4.70%	23.50%
West South Central	4.45%	22.25%

While some areas have appreciated at higher rates than others, even the lowest yields produce returns of over 22% on a 20% down payment and the average is close to 30%.

US map is color coded by Census Division.

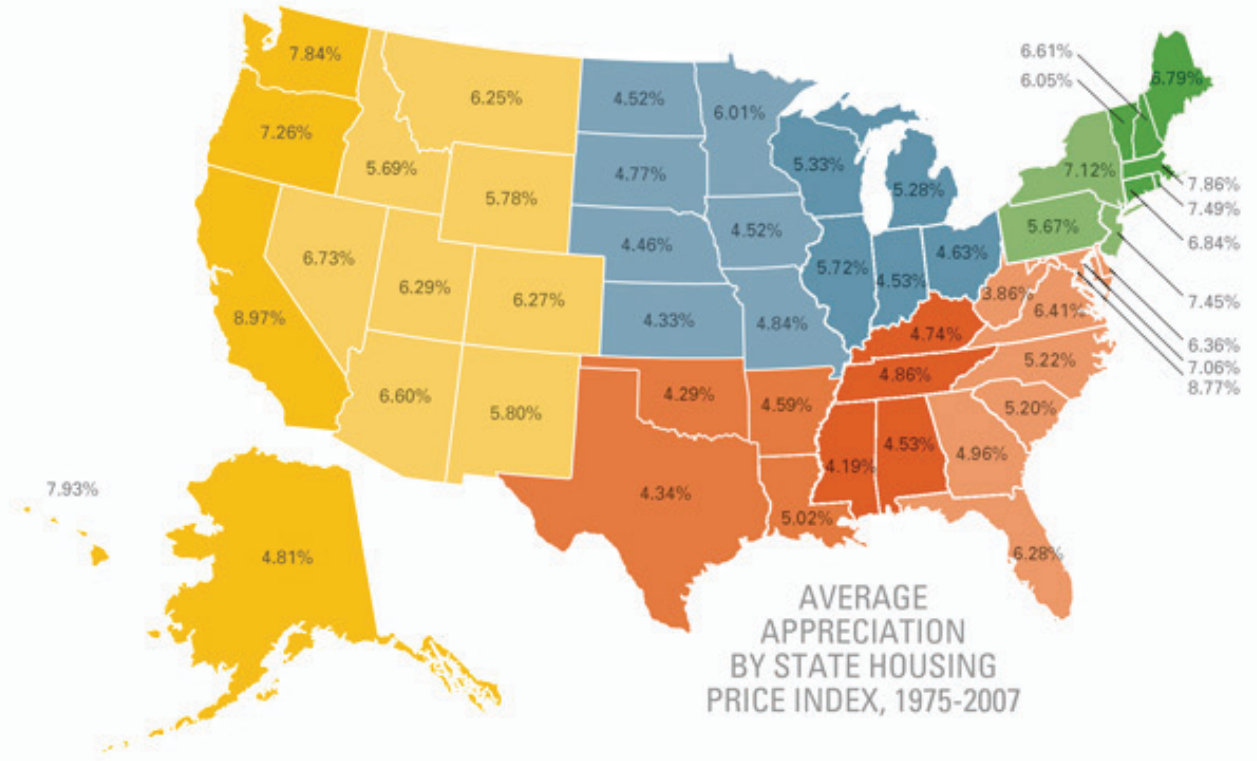


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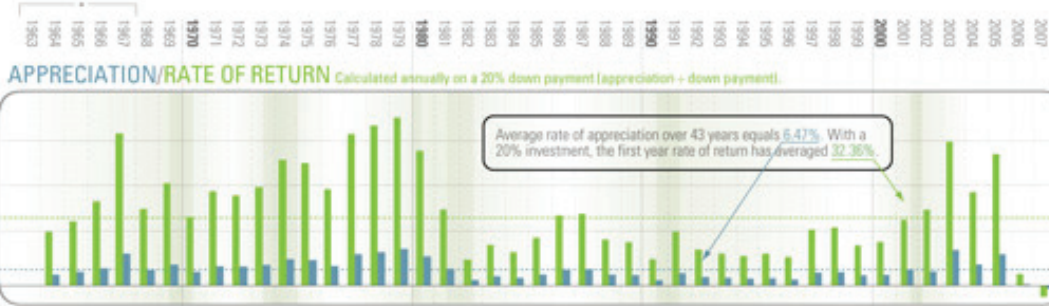


Ask the mortgage or real estate professional who provided this chart to demonstrate what these factors can mean for your home using the Estate of Mind Total Cost and Benefit Calculator.

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HOME ECONOMICS 2008/09 HANDOUT

The Visual Guide to the Housing Market

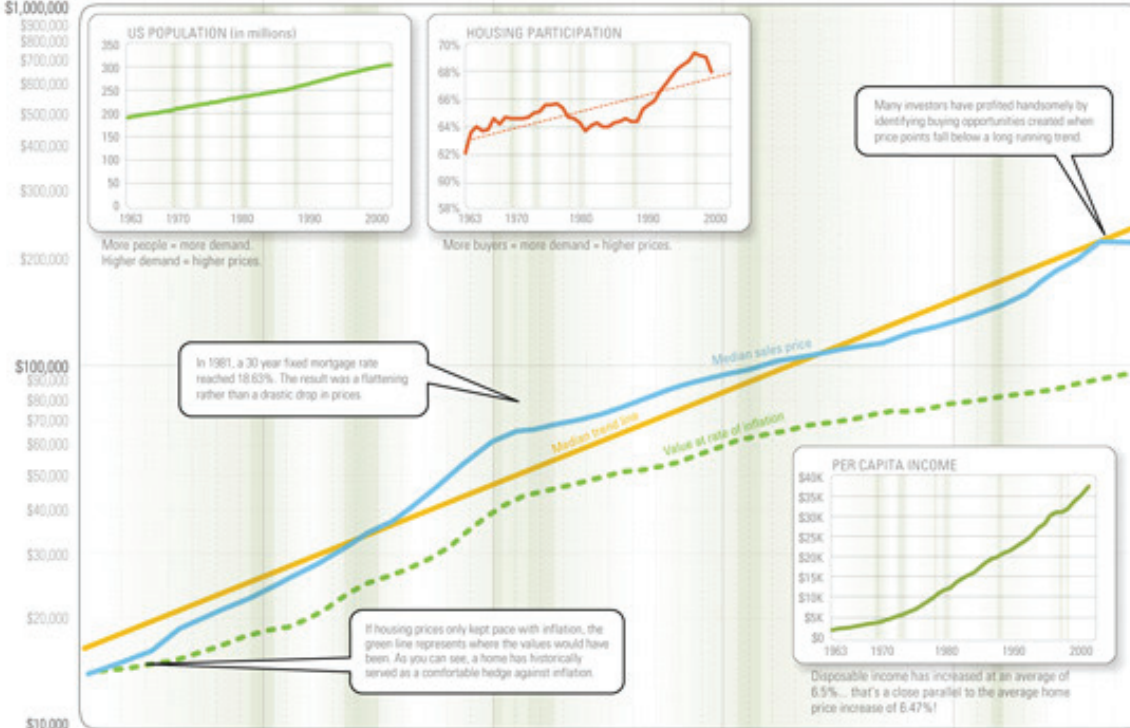


Over the last forty four years, the rate of appreciation on a median priced home equals 6.47%. Over the last two years, the market has shifted from one favoring sellers, to one favoring buyers.

Annualized, the recent decline in national prices equals 1.31%. Although high rates of appreciation through the preceding several years were referred to as a "bubble" by many, studying the facts reveals that these years simply brought values back to the historical trend line after a long period of below average appreciation.

The rate of return on a 20% down payment has performed at better than 30%. Cyclicalities is evident in all commodity markets and housing is no different. Wise investors use price dips as ideal opportunities to enter the market.

NATIONAL HOME PRICES AND SUPPORTING DEMOGRAPHICS



Historical Median Trend Line
National Median Sales Price
Value if only at Rate of Inflation

The gold trend line demonstrates the statistical average performance of real estate values for the last forty four years. The blue price line evidences the average yearly value of a median priced home. While the market in many areas has suffered price declines, other areas have continued to appreciate at healthy levels.

Housing prices are cyclical. What's important to assess is the length of time that one expects to own any particular house. Once an approximate number of years has been identified, it's easier to gauge where the value will likely be at the time of sale. Obviously, the price upon sale is infinitely more important than the where the price is in a few months or even a year from now.

No one can predict the future and rates of appreciation will vary based on many factors. But, positive appreciation driven by demographic factors like rising population, increasing ownership levels, and growing income is more likely to continue along its historical rising path than it is to reverse.

Despite short term setbacks, real estate values have provided significant wealth accumulation to those that have participated. According to surveys conducted by the Federal Reserve, the average net worth of real estate owners can be from several to hundreds of times higher than that of renters.

Ask the mortgage or real estate professional who provided this chart to demonstrate what these factors can mean for your home using the *Estate of Mind Total Cost and Benefit Calculator*.

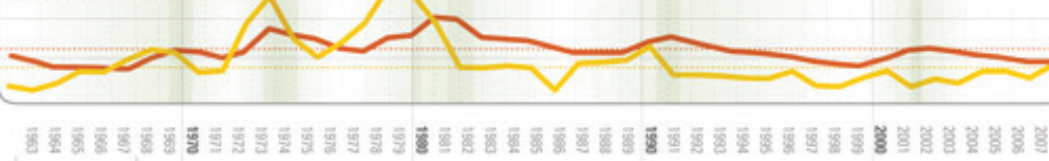
30 YEAR FIXED MORTGAGE RATE/PRIME RATE



Real estate has proved to be a comparatively consistent performer through recessions, 30 year fixed mortgage rates creating over 18% periods of high unemployment, inflation, etc.

The history of the various rates illustrated here and how they relate to the market and each other can be valuable in anticipating reactions in similar future circumstances.

UNEMPLOYMENT/INFLATION



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THE BASIC MONTHLY BENEFITS OF HOME OWNERSHIP @ 5.98% APPRECIATION (US average from HPI)

Value	Appreciation	+	Rent Saved	+	Tax Savings	-	Costs	=	Monthly Benefit
\$200,000	\$396.67		\$1,000.00		\$360.00		(\$1,331.67)		\$1,025.00
\$300,000	\$1,495.00		\$1,500.00		\$540.00		(\$1,997.50)		\$1,537.50
\$400,000	\$1,993.33		\$2,000.00		\$720.00		(\$2,663.33)		\$2,050.00
\$500,000	\$2,491.67		\$2,500.00		\$900.00		(\$3,329.17)		\$2,562.50
\$600,000	\$2,990.00		\$3,000.00		\$1,080.00		(\$3,995.00)		\$3,075.00
\$700,000	\$3,488.33		\$3,500.00		\$1,260.00		(\$4,660.83)		\$3,587.50
\$800,000	\$3,986.67		\$4,000.00		\$1,440.00		(\$5,326.67)		\$4,100.00

This chart illustrates the average financial benefits of home ownership. Clearly, ownership has proved far superior to renting.

Factors as follows: Mortgage interest @ 6.5%, loan to value of 80%, rent is calculated at 6% of value, real estate taxes @ 2% of value, maintenance is 5% of value, insurance is \$2.9 per \$1000 of mortgage amount and marginal tax bracket used is 30%. "Costs" equal monthly interest expense + insurance + maintenance + property taxes. Net Monthly benefit = appreciation + shelter value/rent saved + tax savings - costs.