



20 June 2025

BENCHMARK INTEREST RATES AND YIELD CURVE

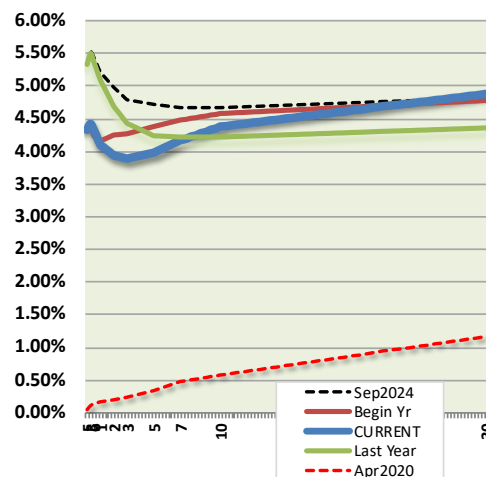
**US Treasury Rates-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	6/19/25	5/19/25	12/31/24	6/19/24	This Yr	Last Yr	This Cycle*
Prime	7.50%	7.50%	7.50%	8.50%	0.00%	-1.00%	-1.00%
Fed Funds	4.33%	4.33%	4.33%	5.33%	0.00%	-1.00%	-1.00%
3mo	4.42%	4.39%	4.37%	5.50%	0.05%	-1.08%	-1.10%
6mo	4.33%	4.32%	4.24%	5.37%	0.09%	-1.04%	-1.11%
1yr	4.10%	4.12%	4.16%	5.09%	-0.06%	-0.99%	-1.11%
2yr	3.94%	3.97%	4.25%	4.69%	-0.31%	-0.75%	-1.04%
3yr	3.89%	3.95%	4.27%	4.43%	-0.38%	-0.54%	-0.90%
5yr	3.98%	4.07%	4.38%	4.24%	-0.40%	-0.26%	-0.74%
7yr	4.17%	4.26%	4.48%	4.22%	-0.31%	-0.05%	-0.50%
10yr	4.38%	4.46%	4.58%	4.22%	-0.20%	0.16%	-0.29%
30yr	4.88%	4.92%	4.78%	4.36%	0.10%	0.52%	0.06%

**Slope of the Yield Curve-**

2yr-3mo	-0.48%	-0.42%	-0.12%	-0.81%	-0.36%	0.33%	0.06%
5yr-2yr	0.04%	0.10%	0.13%	-0.45%	-0.09%	0.49%	0.30%
10yr-5yr	0.40%	0.39%	0.20%	-0.02%	0.20%	0.42%	0.45%
10yr-3mo	-0.04%	0.07%	0.21%	-1.28%	-0.25%	1.24%	0.81%

**YIELD CURVE ASSESSMENT**



\*Since Sep 2024

ECONOMIC UPDATE AND ANALYSIS

## FED KEEPS KEY BENCHMARK UNCHANGED; INFLATION METRICS NEARING POLICY TARGET

Federal Reserve policy-makers chose to retain their benchmark overnight target rate unchanged. That target rate will stay in a 4.24%-4.50% span, still the highest since 2007.

The decision will have no impact on consumer financing rates in that there is little correlation between the two. However, prime rate does have a more direct correlation, so any downward shift could help to lower prime-based loans like credit cards and some equity lines of business.

The Fed has now gone six months without cutting the overnight rate. Inflation only rose 2.1 percent in April, the closest it's been to the Fed's target since prices first surged in the aftermath of the pandemic. Meanwhile, the nation's unemployment rate is holding at 4.2 percent, near the Fed's estimates of maximum employment.

Policymakers now expect unemployment to rise to 4.5 percent from its current 4.2 percent level. Inflation, meanwhile, is projected to heat back up temporarily to 2.5-3.0 annual pace.

All the while, economic growth is expected to slide this year, growing just 1.4 percent. But with the transition of the nation's manufacturing and service industry into a more effective economy that strengthens production and employment.

**Key Economic Indicators for Banks, Thrifts & Credit Unions-**

		LATEST	CURRENT	PREV
GDP	QoQ	Q1-25 2nd	-0.2%	2.4%
GDP - YTD	Annl	Q1-25 2nd	-0.2%	2.5%
Consumer Spending	QoQ	Q1-25 2nd	1.2%	4.0%
Consumer Spending YTD	Annl	Q1-25 2nd	1.2%	3.1%
Unemployment Rate	Mo	May	4.2%	4.2%
Underemployment Rate	Mo	May	7.8%	7.9%
Participation Rate	Mo	May	62.6%	62.5%
Wholesale Inflation	YoY	May	2.6%	2.4%
Consumer Inflation	YoY	May	2.4%	2.3%
Core Inflation	YoY	May	2.8%	2.8%
Consumer Credit	Annual	April	4.3%	2.1%
Retail Sales	YoY	May	3.6%	3.8%
Vehicle Sales	Annl (Mil)	May	16.1	17.8
Home Sales	Annl (Mil)	April	4.724	4.744
Home Prices (Natl Avg)	YoY	March	3.4%	3.9%

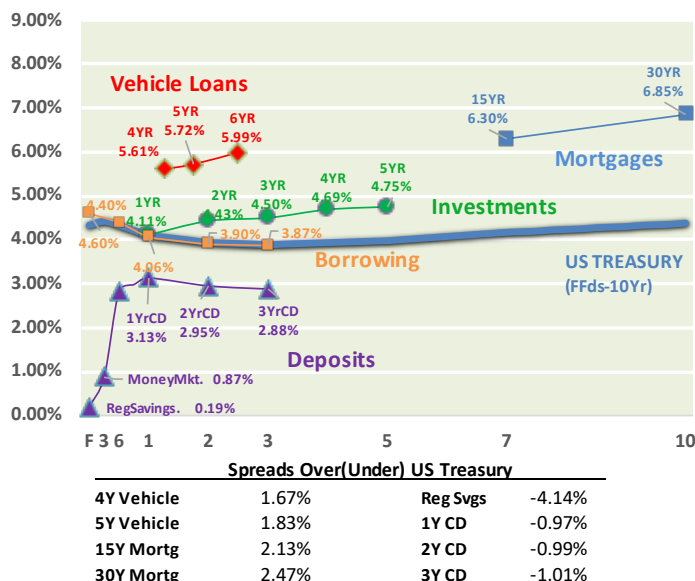
**Key Consumer Market Data-**

	THIS WK	YR END	PCT CHANGES	
	6/19/25	12/31/24	YTD	12Mos
DJIA	42,171	42,544	-0.9%	7.9%
S&P 500	5,980	5,881	1.7%	9.1%
NASDAQ	19,546	19,310	1.2%	9.8%
Crude Oil	75.14	71.72	4.8%	-7.0%
Avg Gasoline	3.14	3.13	0.4%	-8.6%
Gold	3,408	2,641	29.0%	45.0%



**AVERAGE CREDIT UNION RATES, RATE SENSITIVITIES AND RELATIVE VALUE**

	THIS WK	CHG IN MKT SINCE		RATE SENSITIVITY	
	6/19/25	YTD	2024 High	Bmk Decline	RS
Classic CC	13.18%	0.01%	-0.19%	-1.00%	19%
Platinum CC	12.52%	-0.15%	-0.50%	-1.00%	50%
48mo Veh	5.61%	-0.27%	-0.60%	0.30%	-200%
60mo Veh	5.72%	-0.27%	-0.61%	0.42%	-145%
72mo Veh	5.99%	-0.27%	-0.61%	0.46%	-131%
HE LOC	7.57%	-0.28%	-0.88%	-1.00%	88%
10yr HE	7.28%	-0.12%	-0.26%	-1.00%	26%
15yr FRM	6.30%	-0.11%	-0.46%	-0.83%	55%
30yr FRM	6.85%	-0.03%	-0.91%	-0.60%	152%
Sh Drafts	0.13%	0.00%	0.01%	-1.00%	-1%
Reg Svgs	0.19%	0.00%	0.00%	-1.00%	0%
MMkt-10k	0.87%	0.00%	-0.04%	-1.00%	4%
MMkt-50k	1.17%	0.00%	-0.06%	-1.00%	6%
6mo CD	2.83%	-0.07%	-0.20%	-0.35%	57%
1yr CD	3.13%	-0.04%	-0.27%	0.01%	-2700%
2yr CD	2.95%	0.02%	-0.11%	0.30%	-37%
3yr CD	2.88%	0.04%	-0.04%	0.42%	-10%



**STRATEGICALLY SPEAKING**

Judging by the Fed's own individual projections, we don't expect interest rates to come down very quickly but instead will become even more volatile. It should underscore the urgency for borrowers to aggressively pay down high-cost credit card debt and offers little hope of a significant drop in interest rates any time soon.

Tariff talk remains with fear-mongering directed toward seeing significant increases in prices that would be experienced at the producer level. We don't agree. In fact, the current economic climate and finiky consumer behavior would most like see much of the possible impact absorbed at the wholesale level - similar to what the economy had recently experienced for nearly 15 years.

Moreover, tough tariff talk is geared mainly toward US manufacturers for them to once again produce more in the US - in that products made in the US are not subject to tariffs. Still, most of the goods that are imported into the US are not final products but mostly raw materials and intermediate component parts.

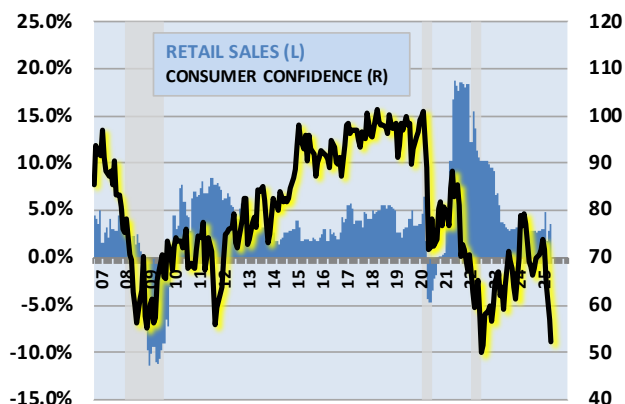
Consumer spending remains moderately strong given the economy volatility but supported by solid wage growth. The pace of growth in retail sales was impacted by a decline in motor vehicles that was coming off a significant rise during the first quarter of 2025. This could tap down growth over the next couple of quarters that pent-up demand erased during the first quarter.

**ECONOMIC RELEASES**

RELEASES THIS WEEK:	Latest	Projected	Previous
Retail Sales (Sep, YoY)	5.2%	5.1%	4.7%
FOMC Announcement	4.5%	4.5%	4.5%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Existing Home Sales (May)	3.95M	4.0M
Home Prices (Apr, YoY)	3.2%	3.4%
Consumer Confidence (Jun, 100=1985)	99.0	98.0
New Home Sales (May)	700k	743k

**RETAIL SALES & CONSUMER CONFIDENCE**  
INDEX 100-1966





**THE ECONOMY AND STRATEGIC ASSESSMENT**

**CURRENT PROFILE**

**Growth Outlook**

Slower pace nationally with pockets of stronger demand and spending

**Inflation**

More members living paycheck -to-paycheck. This dilutes purchasing power and discretionary spending

**Household Wealth**

Boosted by improvement in capital market, home values and stable wage growth

**IMPACT ON OUTLOOK**

**Growth**

Local demand should be sufficient to satisfy pending loan and deposit growth

**Inflation and Household Wealth**

Expect pace of inflation to range between 2.3% to 2.9% .. Pace of home prices should slow ... Expect pockets of course correction in credit markets

**Credit Risk and Liquidity**

Two biggest concerns mounting delinquency & cash flow mismatch

**IMPACT ON DEMAND**

**Growth and Liquidity**

Volatility in core deposits remains thus creating unable share growth and potential mismatch between loan/share growth capacity

**Credit Demand**

Slight fluctuation between A- and C-quality loan applications. Pressure to compromise U/W should be avoided

**Share Growth**

Volatile core deposits and organic growth will determine permissible loan growth

**ENTERPRISE RISK EXPOSURE AND STRATEGIC ASSESSMENT**

**ASSET & NET WORTH**

**Growth & Capitalization**

Efforts should focus on net worth with growth tied to retaining a well-capitalized net worth (>7%)

**Balance Sheet Allocation**

Must have limited complexity but capable to adjust due to economic, risk pressure and reallocation

**Liquidity**

Monitor mismatch between loan and share growth .. Core deposit volatility continues in market ... Loan growth is dependent on share growth

**RISK EXPOSURES**

**Enterprise Risk**

To garner best balance between financial and member service, the focus must take into account all risk exposures

**Interest Rate Risk**

Retain risk-to-ST earnings no greater than -10% to -12% given +/-100bp shift and risk-to-LT earnings no greater than -30% given +/-300bp shift

**Liquidity Risk**

Retail surplus-to-assets no less than 9%; ST Funding no less than 12%

**CREDIT MITIGATION**

**Credit Risk Exposure**

High priority in 2025 ... 87% of new origination must be B+-quality or better ...

**Allocation and Average Life**

Prime quality must be no less than 92% of portfolio .. Average life must range between 2.7 and 3.1 years

Recommend risk classifications of A+ (730+), A (680-729, B (640-679, C (620-639

Loss exposure of Sub-prime may not dilute net worth below 7%

**INTEREST RATES, PRICING SPREADS AND STRATEGIC ASSESSMENT**

**MARKET RATES**

**Benchmarks**

Downward pressure on most treasury benchmarks with greater volatility on the long-end of the curve

**Market Rates**

Consumer rates will not experience as great a downward pressure as benchmarks... potential to 25 to 30 bp decline in vehicle loan rates

Greater volatility in mortgage rates with range between 6% to 7%

No change in core deposit rates but lower term CD rates

**PRICING SPREADS**

**Effect on Pricing Spreads**

Any downward shift in asset rates will be slower than benchmarks therefore relative value of credit -risk asset should increase.

No exposure in core deposit rates will see increase in relative value of core shares ... Improved liquidity profile and downward pressure on term rates should narrow funding spreads and potentially minimize the impact and need of promotional term CDs.

Largest impact from downward pressure comes from overnight cash

**ALLOCATION & RETURN**

**Risk Allocation Metrics**

Surplus-to-Assets: >9%  
ST Funds-to-Assets: >12%

Vehicle-to-Loans: >60%<75%  
RE Loans-to-Loans: >25%<50%  
RE Loans-to-Net Worth: <275%

Core-to-Shares: >75%  
Term-to-Shares: <20%

"Misery" Index: <0.80%

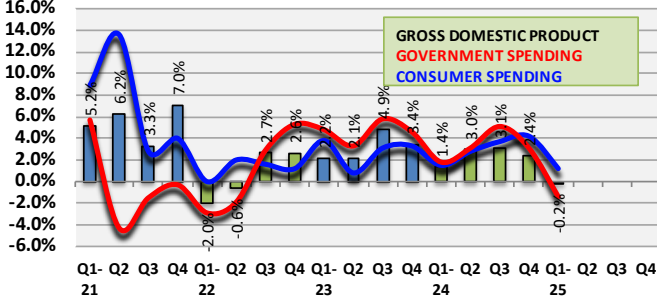
**Outlook on Return**

Marginal loan rates still higher than portfolio yields so even fewer originations might increase revenue



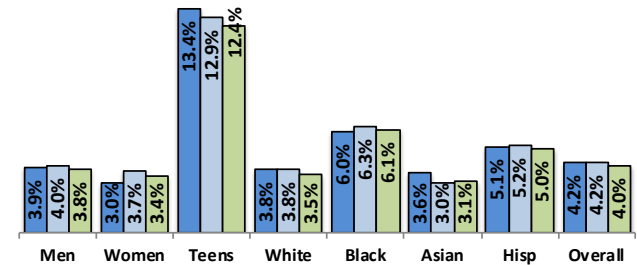
## GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



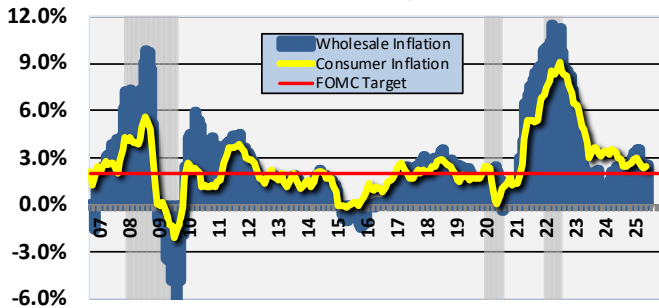
## UNEMPLOYMENT BY DEMOGRAPHIC

CURRENT, LAST MONTH and ONE YEAR AGO



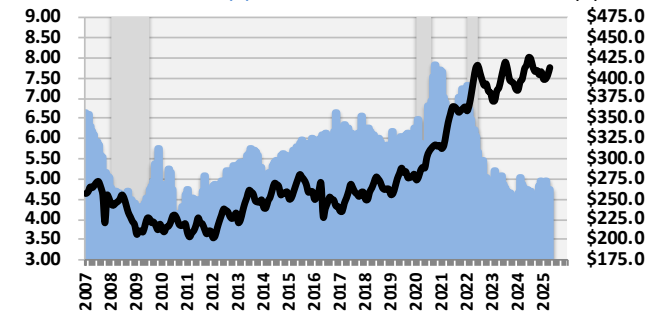
## INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



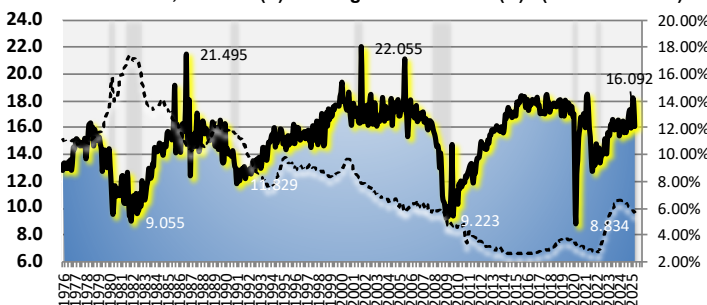
## TOTAL HOME SALES

MONTHLY SALES - Mil (L) versus AVG SALES PRICE - \$000s (R)



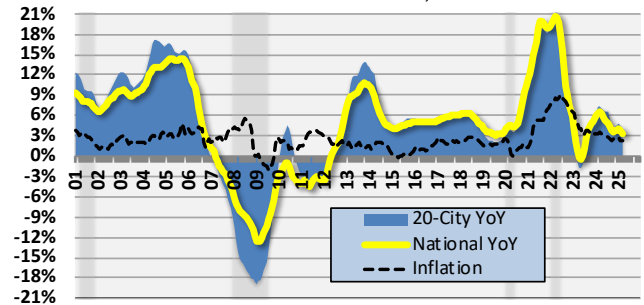
## VEHICLE SALES

Annualized Sales, Millions (L) and Avg 5Yr Loan Rate (R) - (4Yr 1976 - 2004)



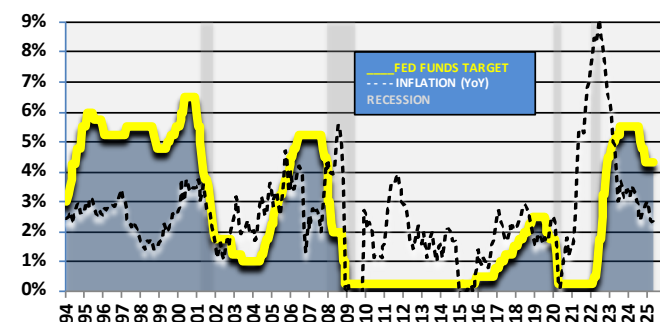
## S&P CL CASE-SHILLER HOME PRICE INDEX

NATL & 20-CITY METROPOLITAN SURVEY AREAS, Year-over-Year



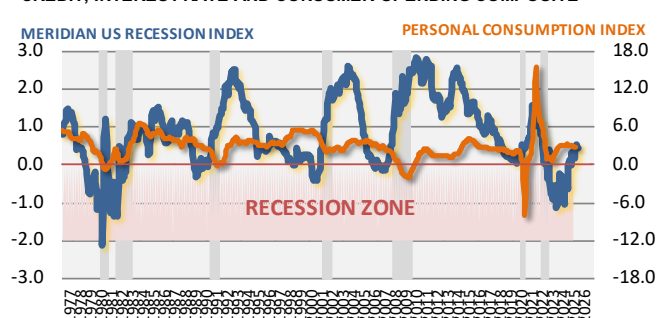
## US FEDERAL FUNDS RATE

HISTORICAL FEDERAL FUNDS RATE



## MERIDIAN US RECESSION INDEX™

CREDIT, INTEREST RATE AND CONSUMER SPENDING COMPOSITE





## ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
<b>MAY 19</b> Leading Indicators -1%	<b>20</b>	<b>21</b>	<b>22</b> Jobless Claims 227k Cont'd Claims 1.90M Existing Home Sales 4.0M	<b>23</b> New Home Sales 743k	<b>24</b>
<b>26</b> MEMORIAL DAY HOLIDAY	<b>27</b> Home Prices 3.4%	<b>28</b> FOMC Minutes	<b>29</b> Jobless Claims 240k Cont'd Claims 1.91M GDP (Q1, 2nd) -0.2%	<b>30</b>	<b>31</b>
<b>JUNE 2</b>	<b>3</b>	<b>4</b> FRM Beige Book	<b>5</b> Jobless Claims Cont'd Claims	<b>6</b> Unemployment Non-farm Payrolls Private Payrolls Participation Rate	<b>7</b>
<b>9</b>	<b>10</b>	<b>11</b> Consumer Inflation 2.4%	<b>12</b> Jobless Claims 248k Cont'd Claims 1.96M Wholesale Inflation 2.6%	<b>13</b>	<b>14</b>
<b>16</b>	<b>17</b> Retail Sales 3.3%	<b>18</b> FOMC Announcement 4.50% Jobless Claims 245k Cont'd Claims 1.95M	<b>19</b> JUNETEENTH HOLIDAY	<b>20</b> Leading Indicators -0.1%	<b>21</b>
<b>23</b> Existing Home Sales	<b>24</b> Consumer Confidence	<b>25</b> New Home Sales	<b>26</b> Jobless Claims Cont'd Claims GDP (Q1-25 Final)	<b>27</b>	<b>28</b>
<b>30</b>	<b>JULY 1</b>	<b>2</b>	<b>3</b> Jobless Claims Cont'd Claims Unemployment	<b>4</b> INDEPENDENCE DAY HOLIDAY	<b>5</b>
<b>7</b> Consumer Credit	<b>8</b>	<b>9</b> FOMC Minutes	<b>10</b> Jobless Claims Cont'd Claims	<b>11</b>	<b>12</b>
<b>14</b>	<b>15</b> Consumer Inflation	<b>16</b> Wholesale Inflation Fed Beige Book	<b>17</b> Jobless Claims Cont'd Claims Retail Sales	<b>18</b>	<b>19</b>



## ECONOMIC FORECAST

**May 2025**  
(Updated May19, 2025)

	2024				2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

### ECONOMIC OUTLOOK

#### Economic Growth-

GDP - (QoQ)	1.6%	3.0%	3.1%	2.4%	-0.2%	1.4%	0.7%	1.4%	1.5%	1.6%	1.6%	1.6%
GDP - (YTD)	1.6%	2.3%	2.6%	2.5%	-0.2%	0.6%	0.6%	0.8%	1.5%	1.6%	1.6%	1.6%
Consumer Spding (YTD)	1.9%	2.8%	3.7%	4.0%	1.8%	2.2%	0.8%	1.4%	0.8%	1.1%	1.1%	1.5%
	1.9%	2.4%	2.8%	3.1%	1.8%	2.0%	1.6%	1.6%	0.8%	1.0%	1.0%	1.2%
Govt Spending (YTD)	1.8%	3.1%	5.1%	3.1%	-1.4%	-0.5%	-0.9%	-0.7%	0.0%	0.0%	0.0%	-0.2%
	1.8%	2.5%	3.3%	3.3%	-1.4%	-1.0%	-0.9%	-0.9%	0.0%	0.0%	0.0%	-0.1%

#### Consumer Wealth-

Unemployment	3.8%	4.0%	4.2%	4.2%	4.1%	4.3%	4.5%	4.8%	4.8%	4.9%	4.7%	4.5%
Cons Inflation	3.2%	3.2%	2.6%	2.7%	2.7%	2.8%	3.2%	3.5%	3.5%	3.3%	3.2%	2.8%
Home Prices	6.3%	6.3%	5.0%	4.0%	3.5%	3.4%	3.0%	3.0%	2.8%	2.8%	3.0%	3.1%

### SINGLE FAMILY HOME & VEHICLE LOAN MARKETS

#### Home Sales (Mils)-

Home Sales	4.863	4.740	4.605	4.842	4.811	4.839	5.075	5.233	5.244	5.253	5.302	5.377
Existing Homes	4.200	4.047	3.893	4.163	4.127	4.126	4.335	4.475	4.478	4.488	4.527	4.588
New Homes	0.663	0.693	0.712	0.679	0.684	0.713	0.740	0.758	0.766	0.765	0.775	0.789

#### Mortgage Originations (Mils)

Single Family	1.076	1.203	1.343	1.427	1.068	1.533	1.595	1.561	1.573	1.745	1.682	1.634
Purchase App	0.773	0.880	0.924	0.780	0.690	0.924	0.979	0.920	0.900	1.067	1.041	0.990
Refi Apps	0.303	0.323	0.419	0.647	0.378	0.609	0.616	0.641	0.673	0.678	0.641	0.644
Refi Share	28%	27%	31%	45%	35%	40%	39%	41%	43%	39%	38%	39%

#### Vehicle Sales (Mils)-

Vehicle Sales	15.6	16.0	16.3	17.0	18.0	17.3	17.1	17.0	16.9	17.0	17.1	17.0
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### MARKET RATE OUTLOOK

#### Benchmark Rates-

Prime	8.5%	8.5%	8.0%	7.3%	7.3%	7.0%	7.0%	7.0%	6.7%	6.7%	6.7%	6.7%
Fed Funds	5.4%	5.4%	4.9%	4.3%	4.3%	4.3%	4.1%	4.1%	3.9%	3.9%	3.9%	3.9%
3yr UST	4.6%	4.1%	4.0%	4.2%	3.9%	3.8%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
7yr UST	4.4%	3.8%	4.2%	4.2%	4.2%	4.1%	4.0%	4.0%	3.9%	3.9%	3.9%	4.0%
10yr UST	4.2%	4.4%	3.9%	4.3%	4.5%	4.4%	4.4%	4.4%	4.3%	4.3%	4.3%	4.4%

#### Market Rates-

5yr Veh Loan	6.6%	6.5%	6.3%	6.3%	5.9%	5.8%	5.8%	5.7%	5.7%	5.7%	5.7%	5.7%
15yr 1st Mortg	6.5%	6.6%	5.8%	6.3%	5.9%	6.0%	6.0%	5.9%	5.9%	5.9%	5.8%	5.8%
30yr 1st Mortg	6.7%	7.0%	6.5%	6.6%	6.8%	7.0%	6.8%	6.7%	6.6%	6.6%	6.5%	6.4%
Regular Svgs	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
1Yr Term CD	3.4%	3.4%	3.3%	3.2%	3.1%	3.1%	3.0%	3.0%	3.0%	3.0%	2.9%	2.9%

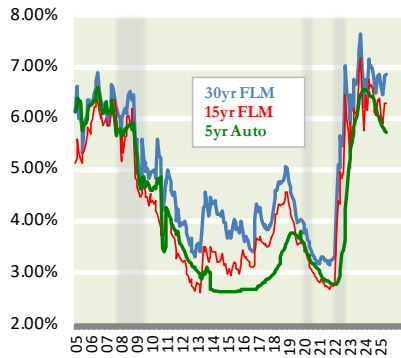




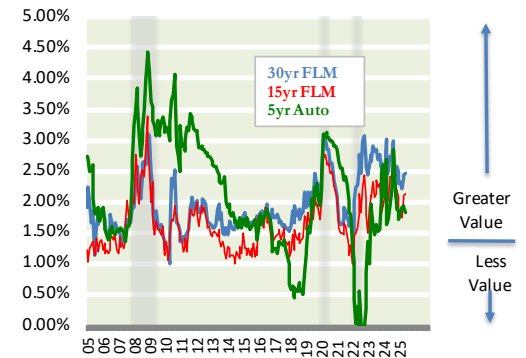
**INDICATIVE PRICING SPREADS AND RELATIVE VALUE OF INVESTMENT OPTIONS**

From: To:	30yr FLM 10Yr UST	15yr FLM 7Yr UST	5yr Vehicle 2Yr UST
<b>Current</b>	<b>2.47%</b>	<b>2.13%</b>	<b>1.83%</b>
May-25	2.44%	2.10%	1.91%
Apr-25	2.37%	2.06%	1.95%
Mar-25	2.23%	1.76%	1.91%
Feb-25	2.32%	1.87%	1.84%
Jan-25	2.29%	1.89%	1.71%
Dec-24	2.48%	2.09%	1.87%
Nov-24	2.58%	2.20%	1.88%
Oct-24	2.40%	2.08%	2.34%
Sep-24	2.79%	2.54%	2.85%
Aug-24	2.99%	2.73%	2.75%
Jul-24	2.70%	2.42%	2.15%
Jun-24	2.74%	2.40%	1.95%

**AVG "A"-PAPER MARKET RATES**

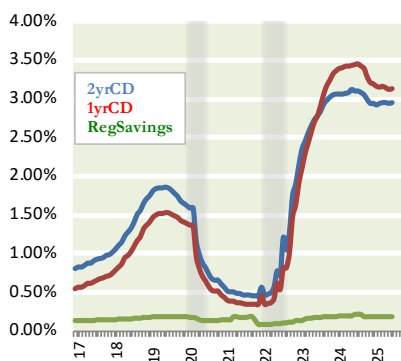


**"A"-PAPER PRICING SPREADS**

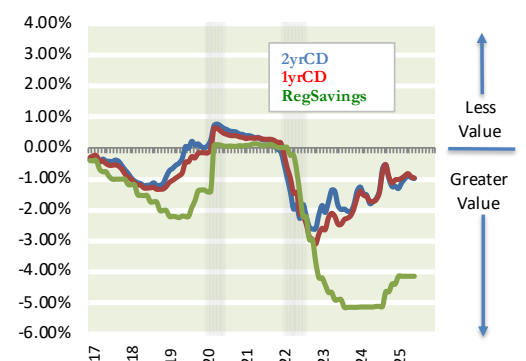


From: To:	RegSvgs FFds	1yr CD 1Yr UST	2yr CD 2Yr UST
<b>Current</b>	<b>-4.14%</b>	<b>-0.97%</b>	<b>-0.99%</b>
May-25	-4.14%	-0.93%	-0.96%
Apr-25	-4.14%	-0.83%	-0.89%
Mar-25	-4.14%	-0.90%	-1.00%
Feb-25	-4.14%	-0.98%	-1.13%
Jan-25	-4.14%	-1.02%	-1.31%
Dec-24	-4.39%	-1.03%	-1.24%
Nov-24	-4.39%	-1.13%	-1.25%
Oct-24	-4.64%	-0.94%	-0.99%
Sep-24	-4.64%	-0.54%	-0.54%
Aug-24	-5.11%	-0.79%	-0.67%
Jul-24	-5.11%	-1.45%	-1.40%
Jun-24	-5.11%	-1.67%	-1.64%

**AVG DEPOSIT MARKET RATES**



**AVG DEPOSIT PRICING SPREADS**



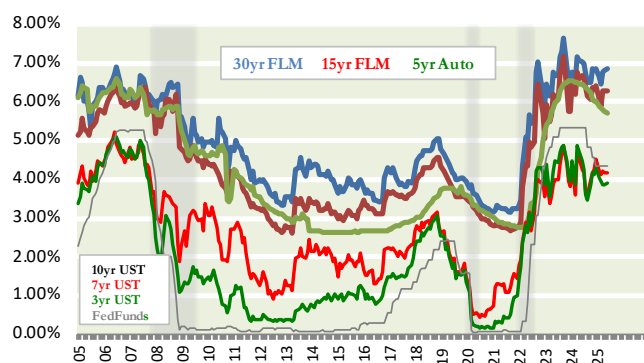
**INDICATIVE INTEREST SPREADS AND MATCHED FUNDING MATRICES**

		Cash	1yr Agy	2yr Agy	3yr Agy	4yr Agy	5yr Agy	5yr New Veh	5yr Used Veh	15yr Mortgage	30yr Mortgage
		4.33%	4.11%	4.43%	4.50%	4.69%	4.75%	5.72%	5.87%	6.30%	6.85%
Share Draft	0.13%	4.20%	3.98%	4.30%	4.37%	4.56%	4.62%	5.59%	5.74%	6.17%	6.72%
Regular Savings	0.19%	4.14%	3.92%	4.24%	4.31%	4.50%	4.56%	5.53%	5.68%	6.11%	6.66%
Money Market	0.87%	3.46%	3.24%	3.56%	3.63%	3.82%	3.88%	4.85%	5.00%	5.43%	5.98%
FHLB Overnight	4.25%	0.08%	-0.14%	0.18%	0.25%	0.44%	0.50%	1.47%	1.62%	2.05%	2.60%
Catalyst Settlement	5.50%	-1.17%	-1.39%	-1.07%	-1.00%	-0.81%	-0.75%	0.22%	0.37%	0.80%	1.35%
6mo Term CD	3.04%	1.29%	1.07%	1.39%	1.46%	1.65%	1.71%	2.68%	2.83%	3.26%	3.81%
6mo FHLB Term	4.21%	0.12%	-0.10%	0.22%	0.29%	0.48%	0.54%	1.51%	1.66%	2.09%	2.64%
6mo Catalyst Term	4.82%	-0.49%	-0.71%	-0.39%	-0.32%	-0.13%	-0.07%	0.90%	1.05%	1.48%	2.03%
1yr Term CD	4.07%	0.26%	0.04%	0.36%	0.43%	0.62%	0.68%	1.65%	1.80%	2.23%	2.78%
1yr FHLB Term	4.03%	0.30%	0.08%	0.40%	0.47%	0.66%	0.72%	1.69%	1.84%	2.27%	2.82%
2yr Term CD	3.95%	0.38%	0.16%	0.48%	0.55%	0.74%	0.80%	1.77%	1.92%	2.35%	2.90%
2yr FHLB Term	3.81%	0.52%	0.30%	0.62%	0.69%	0.88%	0.94%	1.91%	2.06%	2.49%	3.04%
3yr Term CD	3.96%	0.37%	0.15%	0.47%	0.54%	0.73%	0.79%	1.76%	1.91%	2.34%	2.89%
3yr FHLB Term	3.78%	0.55%	0.33%	0.65%	0.72%	0.91%	0.97%	1.94%	2.09%	2.52%	3.07%
7yr FHLB Term	4.19%	0.14%	-0.08%	0.24%	0.31%	0.50%	0.56%	1.53%	1.68%	2.11%	2.66%
10yr FHLB Term	4.51%	-0.18%	-0.40%	-0.08%	-0.01%	0.18%	0.24%	1.21%	1.36%	1.79%	2.34%

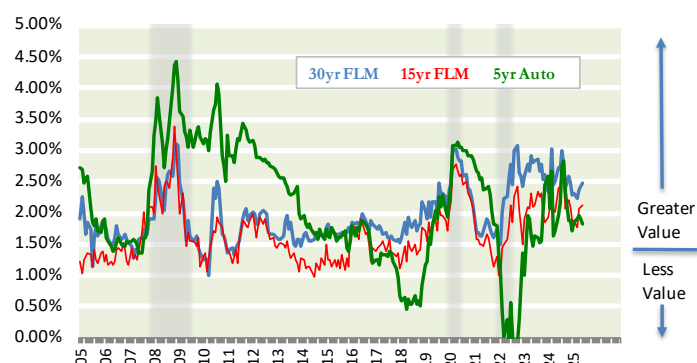
STRATEGIC ASSESSMENT OF INVESTMENT AND FUNDING OPTIONS, RELATIVE VALUE AND PRICING SPREADS

RELATIVE VALUE OF MARGINAL INVESTMENT OPTIONS

"A"-PAPER MARKET RATES



"A"-PAPER PRICING SPREADS



	Current Return	For	Then for the Next	The Net Return Needed to Break-even Against*:							
				30Y FLM	15Y FLM	5Y New	5Y Used	4Y MBS	4Y Call	3Y MBS	3Y Call
Cash	4.33%	-	-	-	-	-	-	-	-	-	-
1yr Agy	4.11%	1 year	4 years	7.54%	6.85%	6.12%	6.31%	5.50%	4.88%	4.62%	4.70%
2yr Agy Callable	4.43%	2 years	3 years	8.46%	7.55%	6.58%	6.83%	5.87%	4.95%	4.49%	4.64%
3yr Agy Callable	4.50%	3 years	2 years	10.38%	9.00%	7.55%	7.93%	7.10%	5.26%	-	-
3yr Agy MBS	4.45%	3 years	2 years	10.45%	9.08%	7.63%	8.00%	7.25%	5.41%	-	-
4yr Agy Callable	4.69%	4 years	1 year	15.49%	12.74%	9.84%	10.59%	-	-	-	-
4yr Agy MBS	5.15%	4 years	1 year	13.65%	10.90%	8.00%	8.75%	-	-	-	-
5yr Agy Callable	4.75%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	5.72%	3 years	2 years	8.55%	7.17%	-	-	-	-	-	-
5yr Used Vehicle	5.87%	3 years	2 years	8.32%	6.95%	-	-	-	-	-	-
15yr Mortgage	6.30%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	6.85%	5 years	-	-	-	-	-	-	-	-	-

\* Best relative value noted by probabilities of achieving "break-even" returns

RELATIVE VALUE OF MARGINAL FUNDING OPTIONS

	Current Cost	For	Then for the Next	The Net Cost Needed to Break-even Against*:			
				3Y CD	3Y FHLB	2Y CD	2Y FHLB
Share Draft	0.13%	1 year	2 years	5.88%	5.74%	7.77%	7.67%
Regular Savings	0.19%	1 year	2 years	5.85%	5.71%	7.71%	7.61%
Money Market	0.87%	1 year	2 years	5.51%	5.37%	7.03%	6.93%
FHLB Overnight	4.60%	1 year	2 years	3.64%	3.51%	3.30%	3.20%
Catalyst Settlement	5.50%	1 year	2 years	3.19%	3.06%	1.20%	2.30%
6mo Term CD	3.04%	6 mos	2.5 yrs	4.14%	4.04%	4.25%	4.19%
6mo FHLB Term	4.40%	6 mos	2.5 yrs	3.87%	3.76%	3.80%	3.73%
6mo Catalyst Term	4.82%	6 mos	2.5 yrs	3.79%	3.68%	3.66%	3.59%
1yr Term CD	4.07%	1 year	2 years	3.91%	3.77%	3.83%	3.73%
1yr FHLB Term	4.06%	1 year	2 years	3.91%	3.78%	3.84%	3.74%
2yr Term CD	3.95%	2 years	1 year	3.98%	3.71%	-	-
2yr FHLB Term	3.90%	2 years	1 year	4.08%	3.81%	-	-
3yr Term CD	3.96%	3 years	-	-	-	-	-
3yr FHLB Term	3.87%	3 years	-	-	-	-	-
7yr FHLB Term	4.29%	-	-	-	-	-	-
10yr FHLB Term	4.60%	-	-	-	-	-	-

\* Highest relative value noted by highest differentials and volatility projections

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