



ECONOMIC FORECAST

May 2022

| | 2022 | | | 2022 | | | | 2023 | | | |
|--|------|----|----|------|----|----|----|------|----|----|----|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |

ECONOMIC OUTLOOK

Economic Growth-

| | | | | | | | | | | | |
|-----------------------------|-------|------|-------|-------|-------|-------|------|------|------|------|------|
| GDP - (QoQ) | 6.7% | 2.3% | 6.9% | -1.5% | 2.0% | 2.7% | 2.6% | 1.9% | 1.8% | 2.0% | 2.0% |
| GDP - (YTD) | 6.5% | 5.1% | 5.6% | -1.5% | 0.3% | 1.1% | 1.5% | 1.9% | 1.9% | 1.9% | 1.9% |
| Consumer Spending - (QoQ) | 12.0% | 2.0% | 2.5% | 2.7% | 2.1% | 2.6% | 1.5% | 1.4% | 1.7% | 2.3% | 2.5% |
| Consumer Spending - (YTD) | 11.7% | 8.5% | 7.0% | 2.7% | 2.4% | 2.5% | 2.2% | 1.4% | 1.6% | 1.8% | 2.0% |
| Government Spending - (QoQ) | -2.0% | 0.9% | -2.6% | -2.7% | 0.8% | 1.4% | 1.9% | 1.6% | 1.5% | 1.2% | 1.2% |
| Government Spending - (YTD) | 1.1% | 1.0% | 0.1% | -2.7% | -1.0% | -0.2% | 0.4% | 1.6% | 1.6% | 1.4% | 1.4% |

Consumer Wealth-

| | | | | | | | | | | | |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Unemployment Rate | 5.9% | 5.1% | 4.2% | 3.8% | 3.5% | 3.5% | 3.4% | 3.4% | 3.5% | 3.7% | 3.9% |
| Consumer Inflation | 4.8% | 5.3% | 6.7% | 8.5% | 8.3% | 8.0% | 7.6% | 6.8% | 6.5% | 6.4% | 6.1% |
| Home Prices | 15.2% | 19.7% | 19.1% | 18.7% | 20.3% | 21.0% | 21.2% | 21.0% | 20.9% | 20.8% | 20.5% |

SINGLE FAMILY HOME & VEHICLE LOAN MARKETS

Consumer Demand-

| | | | | | | | | | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Home Sales (Mil) | 6.687 | 6.766 | 6.955 | 6.877 | 6.511 | 6.790 | 6.791 | 6.826 | 6.852 | 6.916 | 7.026 |
| Existing Home (Mil) | 5.950 | 6.067 | 6.203 | 6.063 | 5.737 | 5.974 | 5.964 | 5.987 | 6.008 | 6.065 | 6.166 |
| New Home Sales (Mil) | 0.737 | 0.699 | 0.752 | 0.814 | 0.774 | 0.816 | 0.827 | 0.839 | 0.844 | 0.851 | 0.860 |
| Single Family Homes (Mils) | 2.926 | 2.714 | 2.497 | 1.830 | 1.846 | 1.598 | 1.471 | 1.340 | 1.693 | 1.688 | 1.510 |
| Purchase Apps (Mils) | 1.341 | 1.302 | 1.259 | 1.025 | 1.282 | 1.113 | 1.059 | 0.912 | 1.252 | 1.253 | 1.090 |
| Refinancing Apps (Mils) | 1.585 | 1.412 | 1.238 | 0.805 | 0.564 | 0.485 | 0.412 | 0.428 | 0.441 | 0.435 | 0.420 |
| Refi Apps Share | 54% | 52% | 50% | 44% | 31% | 30% | 28% | 32% | 26% | 26% | 28% |
| Vehicle Sales (Mil) | 16.2 | 12.5 | 12.8 | 13.8 | 14.7 | 14.2 | 14.0 | 13.5 | 15.6 | 14.6 | 14.3 |

MARKET RATE OUTLOOK

Benchmark Rates-

| | | | | | | | | | | | |
|-----------|------|------|------|------|------|------|------|------|------|------|------|
| Prime | 3.3% | 3.3% | 3.3% | 3.5% | 4.5% | 5.0% | 5.5% | 5.8% | 6.3% | 6.3% | 6.3% |
| Fed Funds | 0.1% | 0.1% | 0.1% | 0.3% | 1.4% | 1.9% | 2.6% | 2.9% | 3.4% | 3.4% | 3.4% |
| 3yr UST | 0.5% | 0.6% | 1.2% | 2.4% | 2.7% | 2.7% | 2.8% | 2.9% | 3.0% | 3.0% | 3.0% |
| 7yr UST | 1.3% | 1.3% | 1.4% | 2.4% | 2.8% | 2.9% | 2.9% | 2.9% | 3.0% | 3.0% | 3.0% |
| 10yr UST | 1.6% | 1.3% | 1.5% | 1.9% | 2.9% | 2.9% | 3.0% | 3.0% | 3.1% | 3.1% | 3.0% |

Market Rates-

| | | | | | | | | | | | |
|--------------------------|------|------|------|------|------|------|------|------|------|------|------|
| 5yr Vehicle Loan Rate | 2.8% | 2.7% | 2.7% | 2.8% | 2.9% | 2.9% | 3.0% | 3.0% | 3.0% | 3.1% | 3.1% |
| 15yr First-lien Mortgage | 2.9% | 2.7% | 3.1% | 3.3% | 4.3% | 4.4% | 4.5% | 4.5% | 4.5% | 4.4% | 4.3% |
| 30yr First-lien Mortgage | 3.0% | 2.9% | 3.1% | 3.8% | 4.7% | 4.8% | 4.8% | 4.8% | 4.8% | 4.7% | 4.6% |