

18 April 2025

BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	4/17/25	3/17/25	12/31/24	4/17/24	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	4.34%	4.34%	4.37%	5.45%	-0.03%	-1.11%	-1.18%
6mo	4.22%	4.90%	4.24%	5.38%	-0.02%	-1.16%	-1.22%
1yr	3.99%	4.11%	4.16%	5.16%	-0.17%	-1.17%	-1.22%
2yr	3.81%	4.06%	4.25%	4.93%	-0.44%	-1.12%	-1.17%
3yr	3.82%	4.03%	4.27%	4.77%	-0.45%	-0.95%	-0.97%
5yr	3.95%	4.11%	4.38%	4.62%	-0.43%	-0.67%	-0.77%
7yr	4.13%	4.10%	4.48%	4.61%	-0.35%	-0.48%	-0.54%
10yr	4.34%	4.31%	4.58%	4.59%	-0.24%	-0.25%	-0.33%
30yr	4.80%	4.60%	4.78%	4.71%	0.02%	0.09%	-0.02%
Slope of the Yield Curve-							
2yr-3mo	-0.53%	-0.28%	-0.12%	-0.52%	-0.41%	-0.01%	0.01%
5yr-2yr	0.14%	0.05%	0.13%	-0.31%	0.01%	0.45%	0.40%
10yr-5yr	0.39%	0.20%	0.20%	-0.03%	0.19%	0.42%	0.44%
10yr-3mo	0.00%	-0.03%	0.21%	-0.86%	-0.21%	0.86%	0.85%

YIELD CURVE ASSESSMENT

The chart displays the yield curve for US Treasury rates. The Y-axis represents the interest rate percentage from 0.00% to 6.00% in 0.50% increments. The X-axis represents the maturity in years, with labels at 1, 2, 3, 5, 7, 10, and 30. Five data series are plotted: 'Sep2024' (dashed black line), 'Begin Yr' (solid red line), 'CURRENT' (solid blue line), 'Last Year' (solid green line), and 'Apr 2020' (dashed red line). The 'CURRENT' and 'Last Year' lines are very close, starting around 4.3% at 1 year and rising to about 4.8% at 30 years. The 'Begin Yr' line starts lower at approximately 4.0% and follows a similar upward path. The 'Apr 2020' line is significantly lower, starting near 0.0% and rising to about 1.0% at 30 years. The 'Sep2024' line is the highest, starting at 4.5% and ending at 4.8%.

\*Since Sep 2024

\*Since Sep 2024

## YEAR-over-YEAR RETAIL SALES INCREASED 2.8% IN MARCH; MONTHLY INCREASED 1.4%

Spending at US retailers skyrocketed last month at the strongest monthly pace in more than two years. Retail sales climbed 1.4% in March from the prior month, the Commerce Department reports.

Sales were also 2.8% higher in March 2025 than a year ago. The strong showing in March was largely driven by sales of cars and auto parts. Excluding those purchases, retail sales were up a more modest 0.5%.

Americans' spending frenzy will most likely stretch into April, but it will be interesting to watch whether or not it might eventually fade, given where US trade tariffs might land. In the near term, we could have some really strong consumer spending numbers, but that just makes things a little bit tricky for the FOMC to determine what it might believe to be proper monetary policy.

That means that the Fed might just have to sit and wait to see what happens to understand the true strength of consumer spending, which powers about 70% of the US economy.

Retail sales in March were up across most categories, especially for car dealerships and home improvement stores. But as we proceed, American's attitudes toward the economy might turn south due to trade matters and tariffs.

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

		LATEST	CURRENT	PREV
GDP	QoQ	Q4-24 Final	2.4%	3.1%
GDP - YTD	Annl	Q4-24 Final	2.5%	2.6%
Consumer Spending	QoQ	Q4-24 Final	4.0%	3.7%
Consumer Spending YTD	Annl	Q4-24 Final	3.1%	2.8%
Unemployment Rate	Mo	March	4.2%	4.1%
Underemployment Rate	Mo	March	7.9%	8.0%
Participation Rate	Mo	March	62.5%	62.4%
Wholesale Inflation	YoY	March	2.7%	3.2%
Consumer Inflation	YoY	March	2.4%	2.8%
Core Inflation	YoY	March	2.8%	3.1%
Consumer Credit	Annual	February	-0.2%	2.1%
Retail Sales	YoY	March	2.8%	1.8%
Vehicle Sales	Annl (Mil)	March	18.2	16.5
Home Sales	Annl (Mil)	February	4.917	4.778
Home Prices (Nat'l Avg)	YoY	January	4.1%	3.9%

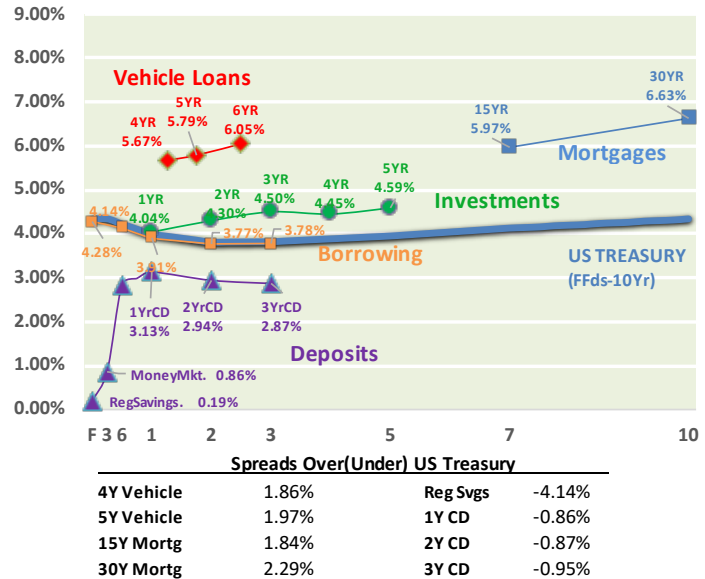
### Key Consumer Market Data-

	THIS WK	YR END	PCT CHANGES	
	4/17/25	12/31/24	YTD	12Mos
DJIA	39,142	42,544	-8.0%	3.6%
S&P 500	5,282	5,881	-10.2%	5.4%
NASDAQ	16,286	19,310	-15.7%	4.3%
Crude Oil	64.68	71.72	-9.8%	-22.3%
Avg Gasoline	3.17	3.13	1.3%	-12.7%
Gold	3,328	2,641	26.0%	38.3%



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

	THIS WK	CHG IN MKT SINCE		RATE SENSITIVITY	
	4/17/25	YTD	2024 High	Bmk Decline	RS
Classic CC	13.13%	-0.04%	-0.24%	-1.00%	24%
Platinum CC	12.53%	-0.14%	-0.49%	-1.00%	49%
48mo Veh	5.67%	-0.21%	-0.54%	0.17%	-318%
60mo Veh	5.79%	-0.20%	-0.54%	0.35%	-154%
72mo Veh	6.05%	-0.21%	-0.55%	0.41%	-133%
HE LOC	7.59%	-0.26%	-0.86%	-1.00%	86%
10yr HE	7.30%	-0.10%	-0.24%	-1.00%	24%
15yr FRM	5.97%	-0.44%	-0.79%	-0.87%	91%
30yr FRM	6.63%	-0.25%	-1.13%	-0.64%	177%
Sh Drafts	0.13%	0.00%	0.01%	-1.00%	-1%
Reg Svgs	0.19%	0.00%	0.00%	-1.00%	0%
MMkt-10k	0.86%	-0.01%	-0.05%	-1.00%	5%
MMkt-50k	1.16%	-0.01%	-0.07%	-1.00%	7%
6mo CD	2.84%	-0.06%	-0.19%	-0.46%	41%
1yr CD	3.13%	-0.04%	-0.27%	-0.10%	270%
2yr CD	2.94%	0.01%	-0.12%	0.17%	-71%
3yr CD	2.87%	0.03%	-0.05%	0.35%	-14%



**STRATEGICALLY SPEAKING**

Spending on motor vehicles and parts was up a whopping 5.3% in March from February, the strongest monthly pace since January 2023. Meanwhile, sales at home improvement stores rose 3.3% during the same period.

Retail sales declined at furniture shops (-0.7%), department stores (-0.3) and gas stations (-2.5). Since the Commerce Department's figures aren't adjusted for inflation, the March decline in sales at gas stations could reflect falling gas prices.

Americans continued to eat out at restaurants and bars in March, with sales rising a robust 1.8% in March from the prior month. From a year earlier, those sales were up 4.8%. This despite recent inflation figures that food prices-eaten-away rose 3.8% year-over-year in March while food-eaten-at-home (groceries) rose only 2.4%.

In a nutshell, continued solid growth in income, lower energy costs and bigger-than-usual tax refunds appear to have strengthened retail sales. Some might believe the relative strong March numbers reflect consumers' initial response to proposed trade tariffs and the trials and tribulations that the media is feeding them.

The past several years, Americans have continued spending despite financial worries and challenges. Don't underestimate the strength of the consumer. This will transate into relative strong demand for financing - consumer and mortgage. February saw a significant increase in annuaized vehicle sales from 16.3 million to 18.2 million units.

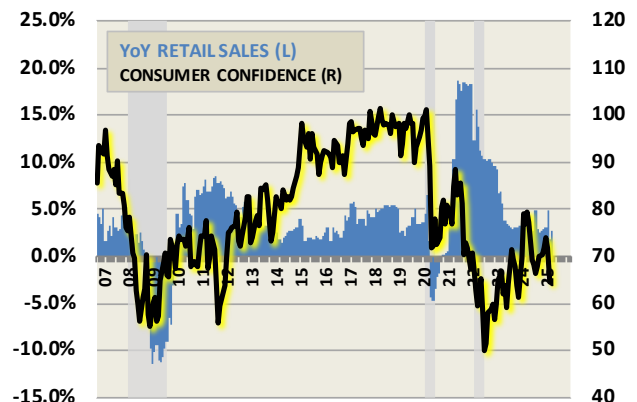
**ECONOMIC RELEASES**

RELEASES THIS WEEK:	Current	Projected	Previous
Retail Sales (Mar, YoY)	4.6%	1.1%	0.8%
Industrial Production (Mar, YoY)	1.3%	1.2%	1.4%
Capacity Utilization (Mar)	77.8%	78.0%	78.2%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Economic Indicators (Mar, MoM)	-0.5%	-0.3%
New Home Sales (Mar, Annl)	680k	676k
FRB Beige Book	Risks to Inflation, Employment	
Existing Home Sales (Mar, Annl)	4.18M	4.26M

**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%

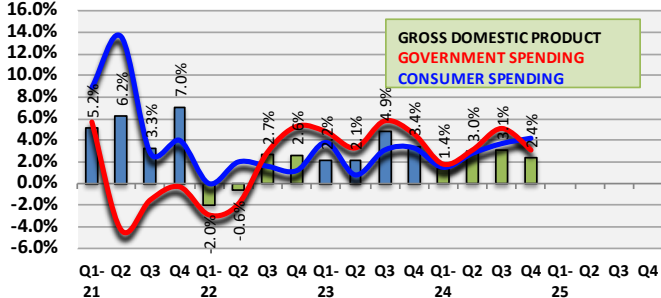
##### Outlook on Return

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



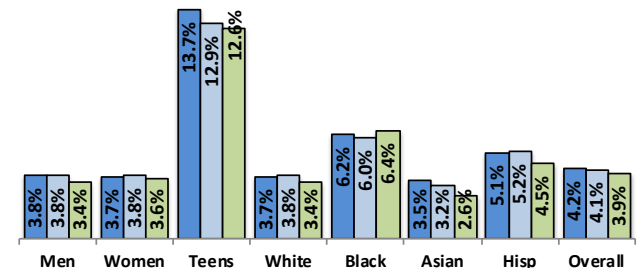
## GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



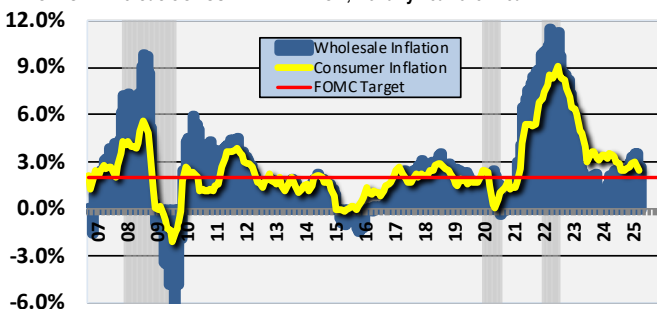
## UNEMPLOYMENT BY DEMOGRAPHIC

CURRENT, LAST MONTH and ONE YEAR AGO



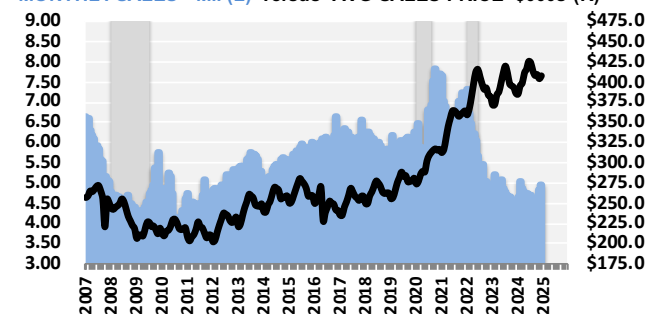
## INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



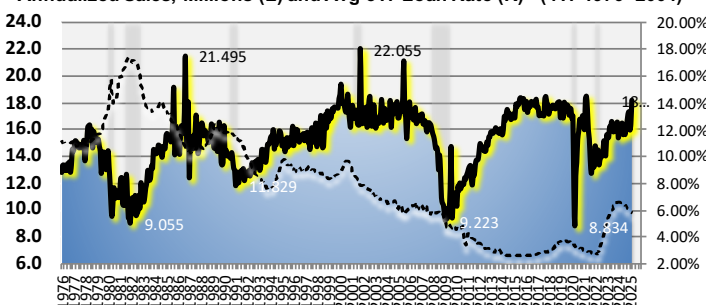
## TOTAL HOME SALES

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



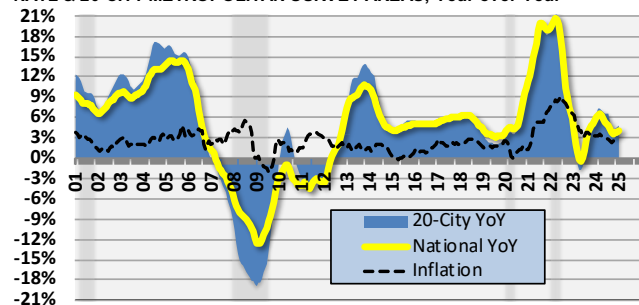
## VEHICLE SALES

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



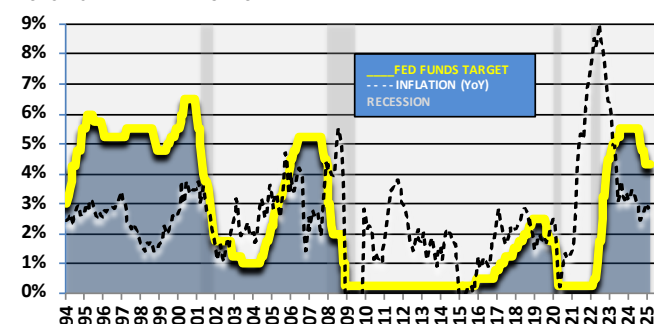
## S&P CL CASE-SHILLER HOME PRICE INDEX

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



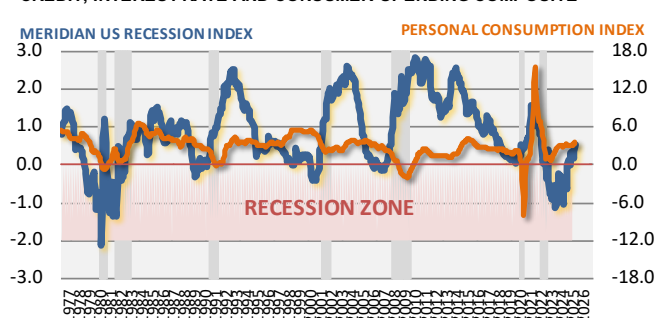
## US FEDERAL FUNDS RATE

HISTORICAL FEDERAL FUNDS RATE



## MERIDIAN US RECESSION INDEX™

CREDIT, INTEREST RATE AND CONSUMER SPENDING COMPOSITE





## ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
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<b>MARCH 17</b> Retail Sales 3.1%	<b>18</b>	<b>19</b> FOMC Announcement 4.5%	<b>20</b> Jobless Claims 223k Cont'd Claims 1.89M Leading Indicators -0.3% Existing Home Sales 4.26M	<b>21</b>	<b>22</b>
<b>24</b>	<b>25</b> Home Prices \$.1% Consumer Confidence 92.9 New Home Sales 676k	<b>26</b>	<b>27</b> Jobless Claims 224k Cont'd Claims 1.86M GDP (Q4 Final) 2.4%	<b>28</b>	<b>29</b>
<b>31</b>	<b>APRIL 1</b>	<b>2</b>	<b>3</b> Jobless Claims 223k Cont'd Claims 1.9M	<b>4</b> Unemployment 4.2% Non-farm Jobs 228k Private Payrolls 209k Participation Rate 62.5%	<b>5</b>
<b>7</b> Consumer Credit -0.2%	<b>8</b>	<b>9</b> FOMC Minutes	<b>10</b> Jobless Claims 223k Cont'd Claims 1.85M Consumer Inflation 2.4%	<b>11</b> Wholesale Inflation	<b>12</b>
<b>14</b>	<b>15</b>	<b>16</b> Retail Sales 4.6%	<b>17</b> Jobless Claims 215k Cont'd Claims 1.89M	<b>18</b>	<b>19</b>
<b>21</b> Leading Indicators	<b>22</b>	<b>23</b> New Home Sales FRB Beige Book	<b>24</b> Jobless Claims Cont'd Claims Existing Home Sales	<b>25</b>	<b>26</b>
<b>28</b>	<b>29</b> Home Prices	<b>30</b> GDP (Q1-25, 1st)	<b>MAY 01</b> Jobless Claims Cont'd Claims	<b>2</b> Unemployment Non-farm Payrolls Private Payrolls Participation Rate	<b>3</b>
<b>5</b>	<b>6</b>	<b>7</b> FOMC Announcement Consumer Credit	<b>8</b> Jobless Claims Cont'd Claims	<b>9</b>	<b>10</b>
<b>12</b>	<b>13</b> Consumer Inflation	<b>14</b>	<b>15</b> Jobless Claims Cont'd Claims Retail Sales Wholesale Inflation	<b>16</b>	<b>17</b>



## ECONOMIC FORECAST

**March 2025**

(Updated March 19, 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%	2.3%	1.1%	1.1%	1.2%	1.5%	1.5%	1.6%	1.5%	1.4%
GDP - (YTD)	1.6%	2.3%	2.6%	2.5%	1.1%	1.1%	1.1%	1.2%	1.5%	1.6%	1.5%	1.5%
Consumer Spding (YTD)	1.9%	2.8%	3.7%	4.2%	1.4%	1.9%	1.2%	0.8%	0.4%	1.5%	1.8%	2.1%
	1.9%	2.4%	2.8%	3.2%	1.4%	1.7%	1.5%	1.3%	0.4%	1.0%	1.2%	1.8%
Govt Spending (YTD)	1.8%	3.1%	5.1%	2.5%	-0.2%	-1.5%	-0.8%	0.0%	0.0%	0.0%	0.0%	-0.2%
	1.8%	2.5%	3.3%	3.1%	-0.2%	-0.9%	-0.8%	-0.6%	0.0%	0.0%	0.0%	-0.1%

#### Consumer Wealth-

Unemployment	3.8%	4.0%	4.2%	4.2%	4.1%	4.3%	4.4%	4.4%	4.5%	4.5%	4.5%	4.6%
Cons Inflation	3.2%	3.2%	2.6%	2.7%	2.9%	3.1%	3.1%	2.9%	2.6%	2.2%	2.4%	2.3%
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	4.779	4.862	5.046	5.175	5.323	5.347	5.382	5.429	5.394
Existing Homes	4.200	4.047	3.893	4.117	4.156	4.256	4.419	4.532	4.539	4.565	4.602	4.589
New Homes	0.663	0.693	0.712	0.662	0.706	0.790	0.756	0.791	0.808	0.817	0.827	0.805

#### Mortgage Originations (Mils)

Single Family	1.076	1.203	1.343	1.427	1.068	1.527	1.637	1.528	1.532	1.729	1.684	1.568
Purchase App	0.773	0.880	0.924	0.780	0.690	0.944	0.986	0.922	0.895	1.087	1.063	0.966
Refi Apps	0.303	0.323	0.419	0.647	0.378	0.583	0.651	0.606	0.637	0.642	0.621	0.602
Refi Share	28%	27%	31%	45%	35%	38%	40%	40%	42%	37%	37%	38%

#### Vehicle Sales (Mils)-

Vehicle Sales	15.6	16.0	16.3	17.0	16.5	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%	7.0%	7.0%	7.0%	7.0%
Fed Funds	5.4%	5.4%	4.9%	4.3%	4.3%	4.3%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
3yr UST	4.6%	4.1%	4.0%	4.2%	3.9%	3.9%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
7yr UST	4.4%	3.8%	4.2%	4.2%	4.2%	4.2%	4.2%	4.3%	4.3%	4.3%	4.3%	4.3%
10yr UST	4.2%	4.4%	3.9%	4.3%	4.5%	4.5%	4.5%	4.5%	4.4%	4.4%	4.4%	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%	6.5%	6.7%	6.6%	6.5%	6.4%	6.4%	6.4%	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%

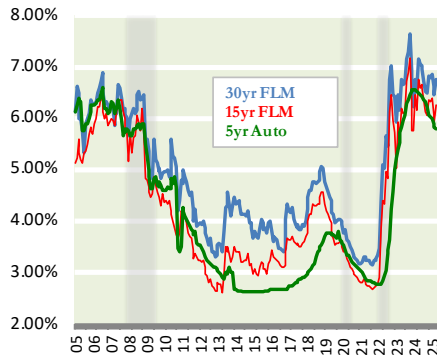




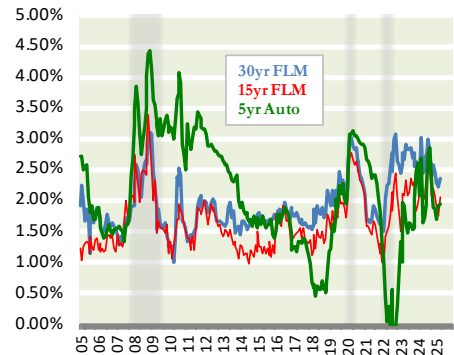
**INDICATIVE PRICING SPREADS AND RELATIVE VALUE OF INVESTMENT OPTIONS**

	30yr Mortgage	15yr Mortgage	5yr Vehicle
<b>Current</b>	<b>2.23%</b>	<b>1.76%</b>	<b>1.91%</b>
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%
May-24	2.50%	2.03%	1.72%
Apr-24	2.45%	2.05%	1.64%
Mar-24	3.03%	2.57%	2.68%

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

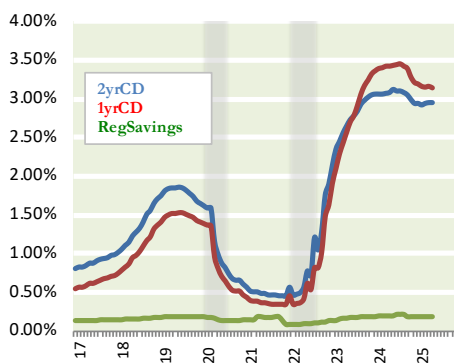


**"A"-PAPER PRICING SPREADS**

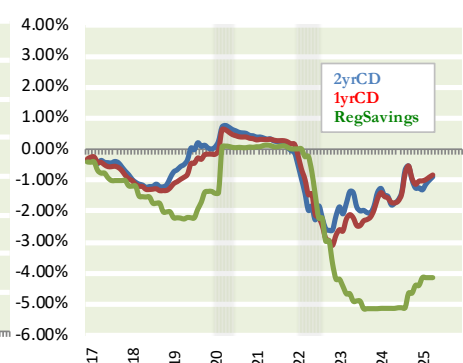


	Reg Svgs	1yr CD	2yr CD
<b>Current</b>	<b>-4.14%</b>	<b>-0.90%</b>	<b>-1.00%</b>
Feb-25	-4.14%	-0.98%	-1.13%
Jan-25	-4.14%	-1.02%	-1.31%
Dec-24	-4.39%	-1.03%	-1.24%
Nov-24	-4.39%	-1.13%	-1.25%
Oct-24	-4.64%	-0.94%	-0.99%
Sep-24	-4.64%	-0.54%	-0.54%
Aug-24	-5.11%	-0.79%	-0.67%
Jul-24	-5.11%	-1.45%	-1.40%
Jun-24	-5.11%	-1.67%	-1.64%
May-24	-5.13%	-1.73%	-1.74%
Apr-24	-5.13%	-1.72%	-1.79%
Mar-24	-5.13%	-1.57%	-1.52%

**AVG DEPOSIT MARKET RATES**



**AVG DEPOSIT PRICING SPREADS**



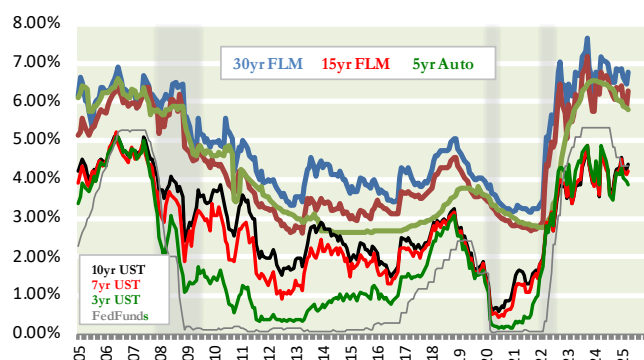
**INDICATIVE INTEREST SPREADS AND MATCHED FUNDING VARIABLES**

		Cash	1yr Agy	2yr Agy	3yr Agy	4yr Agy	5yr Agy	5yr New Veh	5yr Used Veh	15yr Mortgage	30yr Mortgage
		4.33%	4.04%	4.30%	4.50%	4.45%	4.59%	5.79%	5.94%	5.97%	6.63%
Share Draft	0.13%	4.20%	3.91%	4.17%	4.37%	4.32%	4.46%	5.66%	5.81%	5.84%	6.50%
Regular Savings	0.19%	4.14%	3.85%	4.11%	4.31%	4.26%	4.40%	5.60%	5.75%	5.78%	6.44%
Money Market	0.86%	3.47%	3.18%	3.44%	3.64%	3.59%	3.73%	4.93%	5.08%	5.11%	5.77%
FHLB Overnight	4.37%	-0.04%	-0.33%	-0.07%	0.13%	0.08%	0.22%	1.42%	1.57%	1.60%	2.26%
Catalyst Settlement	5.50%	-1.17%	-1.46%	-1.20%	-1.00%	-1.05%	-0.91%	0.29%	0.44%	0.47%	1.13%
6mo Term CD	3.04%	1.29%	1.00%	1.26%	1.46%	1.41%	1.55%	2.75%	2.90%	2.93%	3.59%
6mo FHLB Term	4.17%	0.16%	-0.13%	0.13%	0.33%	0.28%	0.42%	1.62%	1.77%	1.80%	2.46%
6mo Catalyst Term	4.79%	-0.46%	-0.75%	-0.49%	-0.29%	-0.34%	-0.20%	1.00%	1.15%	1.18%	1.84%
1yr Term CD	4.07%	-0.03%	0.26%	0.23%	0.43%	0.38%	0.52%	1.72%	1.87%	1.90%	2.56%
1yr FHLB Term	3.95%	0.38%	0.09%	0.35%	0.55%	0.50%	0.64%	1.84%	1.99%	2.02%	2.68%
2yr Term CD	3.95%	0.38%	0.09%	0.35%	0.55%	0.50%	0.64%	1.84%	1.99%	2.02%	2.68%
2yr FHLB Term	3.80%	0.53%	0.24%	0.50%	0.70%	0.65%	0.79%	1.99%	2.14%	2.17%	2.83%
3yr Term CD	3.96%	0.37%	0.08%	0.34%	0.54%	0.49%	0.63%	1.83%	1.98%	2.01%	2.67%
3yr FHLB Term	3.85%	0.48%	0.19%	0.45%	0.65%	0.60%	0.74%	1.94%	2.09%	2.12%	2.78%
7yr FHLB Term	4.30%	0.03%	-0.26%	0.00%	0.20%	0.15%	0.29%	1.49%	1.64%	1.67%	2.33%
10yr FHLB Term	4.55%	-0.22%	-0.51%	-0.25%	-0.05%	-0.10%	0.04%	1.24%	1.39%	1.42%	2.08%

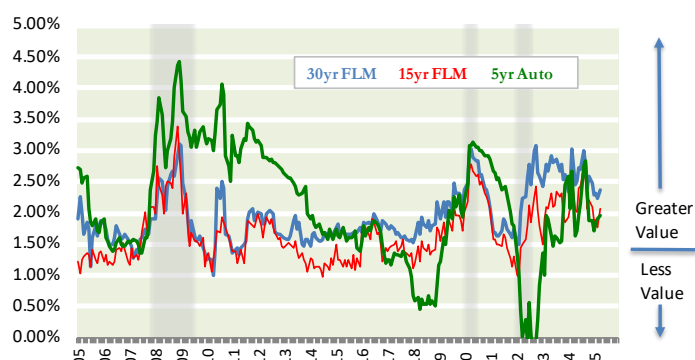
STRATEGIC ASSESSMENT OF INVESTMENT AND FUNDING OPTIONS, RELATIVE VALUE AND PRICING SPREADS

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	4.04%	1 year	4 years	7.28%	6.45%	6.23%	6.42%	5.37%	4.59%	5.57%	4.73%
2yr Agy Callable	4.30%	2 years	3 years	8.18%	7.08%	6.78%	7.03%	5.78%	4.60%	6.58%	4.90%
3yr Agy Callable	4.50%	3 years	2 years	9.83%	8.18%	7.73%	8.10%	6.66%	4.30%	-	-
3yr Agy MBS	5.06%	3 years	2 years	8.99%	7.34%	6.89%	7.26%	4.98%	2.62%	-	-
4yr Agy Callable	4.45%	4 years	1 year	15.35%	12.05%	11.15%	11.90%	-	-	-	-
4yr Agy MBS	5.04%	4 years	1 year	12.99%	9.69%	8.79%	9.54%	-	-	-	-
5yr Agy Callable	4.59%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	5.79%	3 years	2 years	7.89%	6.24%	-	-	-	-	-	-
5yr Used Vehicle	5.94%	3 years	2 years	7.67%	6.02%	-	-	-	-	-	-
15yr Mortgage	5.97%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	6.63%	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%	5.61%	7.77%	7.41%
Regular Savings	0.19%	1 year	2 years	5.85%	5.58%	7.71%	7.35%
Money Market	0.86%	1 year	2 years	5.51%	5.24%	7.04%	6.68%
FHLB Overnight	4.28%	1 year	2 years	3.80%	3.53%	3.62%	3.26%
Catalyst Settlement	5.50%	1 year	2 years	3.19%	2.92%	1.20%	2.04%
6mo Term CD	3.04%	6 mos	2.5 yrs	4.14%	3.93%	4.25%	4.01%
6mo FHLB Term	4.14%	6 mos	2.5 yrs	3.92%	3.71%	3.89%	3.65%
6mo Catalyst Term	4.78%	6 mos	2.5 yrs	3.80%	3.58%	3.67%	3.43%
1yr Term CD	4.07%	1 year	2 years	3.91%	3.64%	3.83%	3.47%
1yr FHLB Term	3.91%	1 year	2 years	3.99%	3.72%	3.99%	3.63%
2yr Term CD	3.95%	2 years	1 year	3.98%	3.44%	-	-
2yr FHLB Term	3.77%	2 years	1 year	4.34%	3.80%	-	-
3yr Term CD	3.96%	3 years	-	-	-	-	-
3yr FHLB Term	3.78%	3 years	-	-	-	-	-
7yr FHLB Term	4.50%	-	-	-	-	-	-
10yr FHLB Term	4.54%	-	-	-	-	-	-

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

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