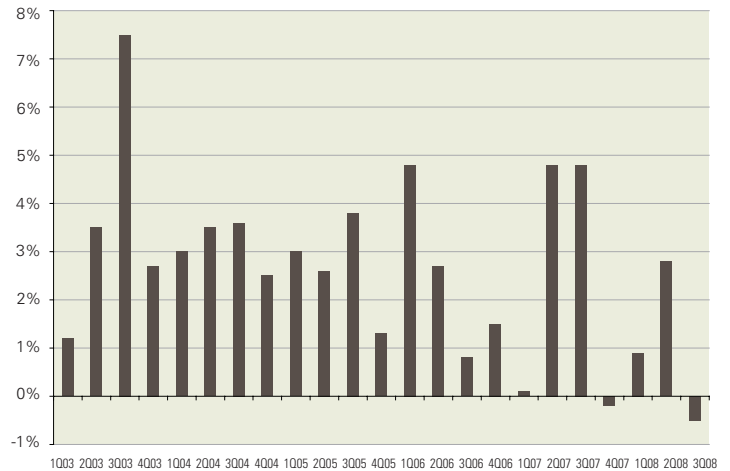


U.S. Economy Officially in Recession

- The National Bureau of Economic Research recently announced that the national economy has been in recession since December of 2007.
- While GDP has yet to contract for 2 consecutive quarters (the traditional measure of recession), it was down 0.5% in the third quarter and is expected to fall sharply in the final quarter of this year.
- A recession is now defined as "a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in production, employment, real income, and other indicators."

Real Gross Domestic Product

Source: Bureau of Economic Analysis

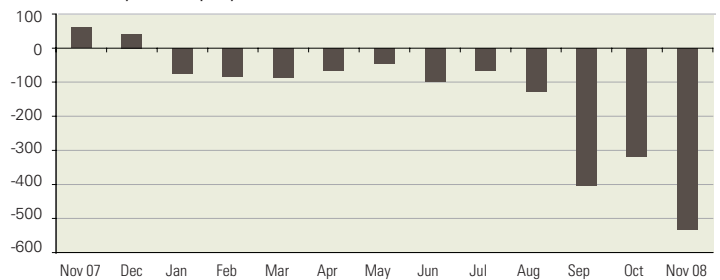


533,000 Jobs Lost in U.S. During November

- U.S. payrolls fell 533,000 in November, the largest monthly decline since December of 1974.
- Since the beginning of 2008, over 1.9 million jobs have been lost.
- The U.S. unemployment rate rose to 6.7%, the highest level since October of 2003.

U.S. Payroll Employment Monthly Change (in thousands)

Source: U.S. Department of Labor

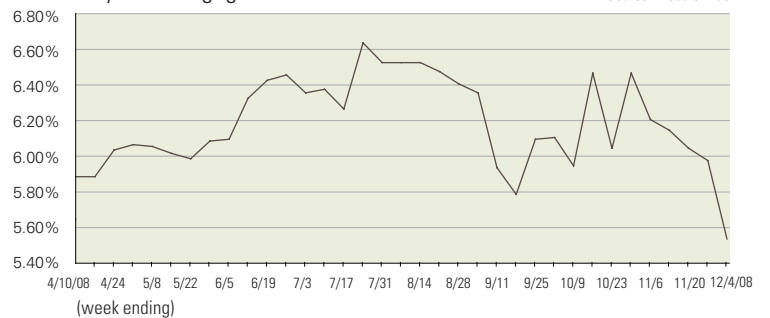


30-Year Conforming Rates Fall Dramatically

- The average rate on a 30-year fixed rate mortgage fell 44 basis points to 5.53% for the week ending December 4th.
- This was the largest weekly decline since November of 1981.
- This decline was fueled by recently announced government action aimed at driving down rates.

30-year Mortgage Rates

Source: Freddie Mac



City Unemployment Rate Remains Below Nation's

- During October, the unemployment rate in New York City remained at 5.7%, below the U.S. rate of 6.5%.
- So far, about 20,000 securities workers have disappeared from City payrolls.

NYC Unemployment Rate

Source: US Dept of Labor

