

Economic Highlights

Consumer Spending

Retail Sales 1

Real Estate

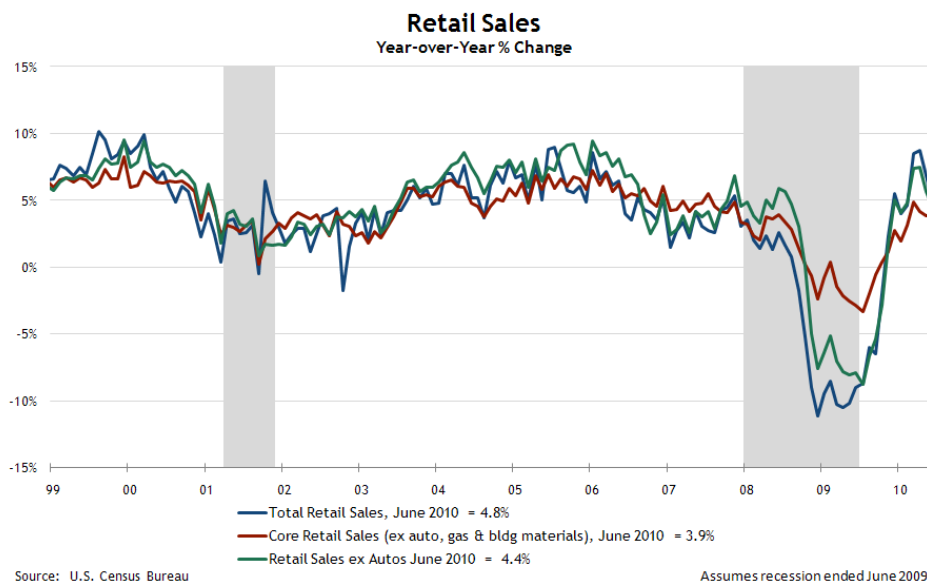
Loan Performance Home Price Indexes 2

Consumer Spending

Summary

June retail sales showed a slowing pace of consumer spending.

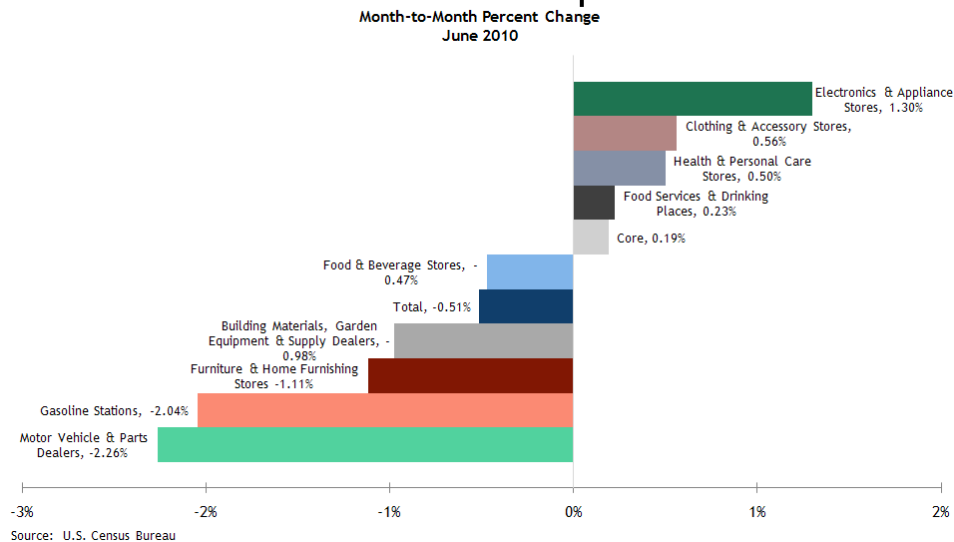
In response to the slowdown in retail sales, surveys of economists now expect real personal consumption expenditures (PCE) in Q2 to grow about 2.2%, lower than previous estimates of nearly 3%.



- Total retail sales fell 0.5% in June. On a year-over-year basis, total retail sales were up 4.8% in June.
- Core retail sales (total excluding gas, autos, and building supplies) increased 0.2% in June following a downwardly revised -0.2% in May and -0.4% in April. On a year-over-year basis, core retail sales were up 3.9%.

Retail sales were mixed across categories in June.

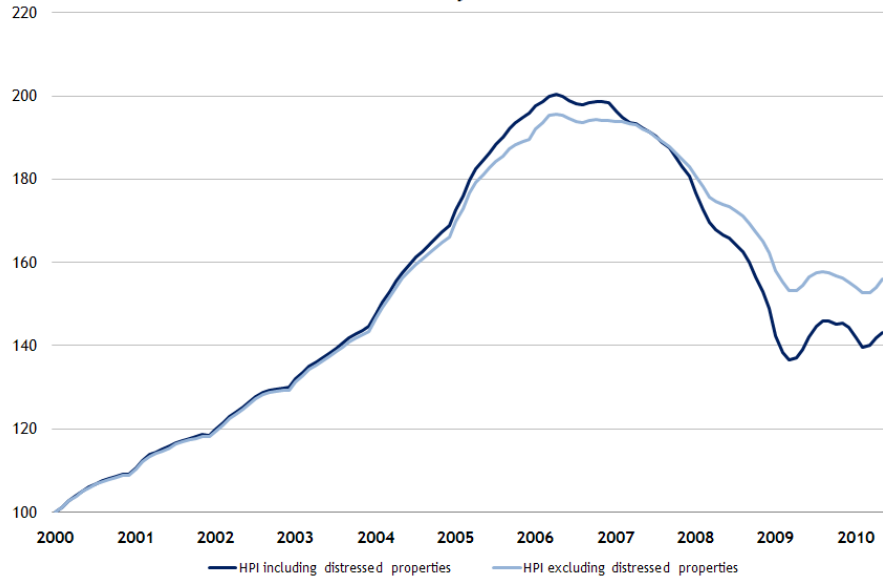
U.S. Retail Sales Components



Summary

CoreLogic reported that its U.S. home price index including distressed sales advanced in May for the third consecutive month, up 0.9% following a 1.3% gain in April.

U.S. Loan Performance Home Price Indexes May 2010



Note: January 2000 = 100
Source: First American CoreLogic

U.S. Loan Performance

	May (NSA)	M/M	Y/Y
Combined*	143.2	0.9%	2.9%
Combined* excl. distressed	156.0	1.3%	0.9%
Single-family detached	141.8	0.9%	3.3%
Single-family attached	150.4	0.8%	1.3%

*Combined refers to single-family attached and single-family detached homes.