

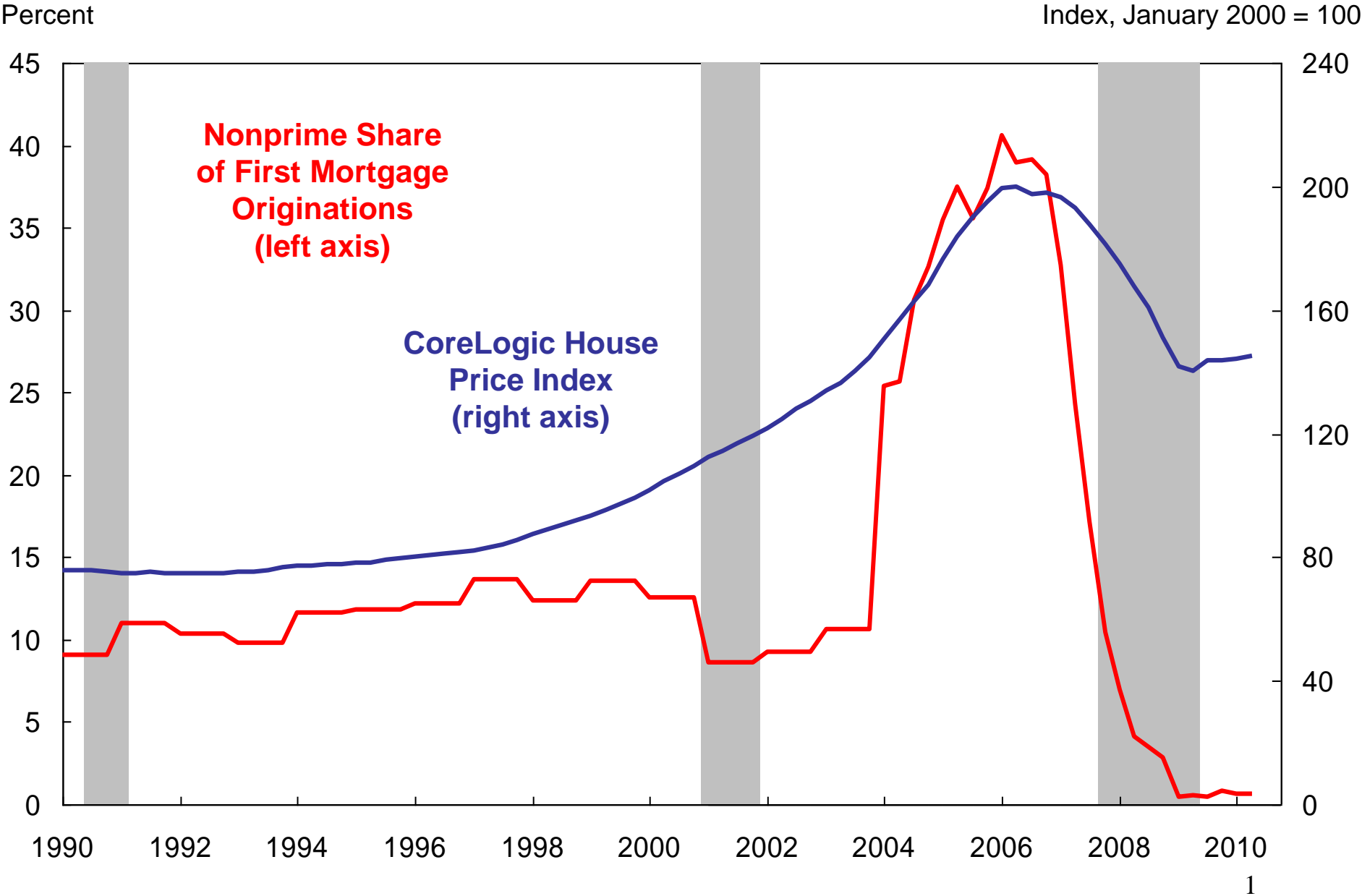


FEDERAL RESERVE BANK *of* NEW YORK

The Outlook, Policy Choices and Our Mandate

Charts presented by William C. Dudley, President and Chief Executive Officer
Society of American Business Editors and Writers Fall Conference
City University of New York Graduate School of Journalism
New York, NY
October 1, 2010

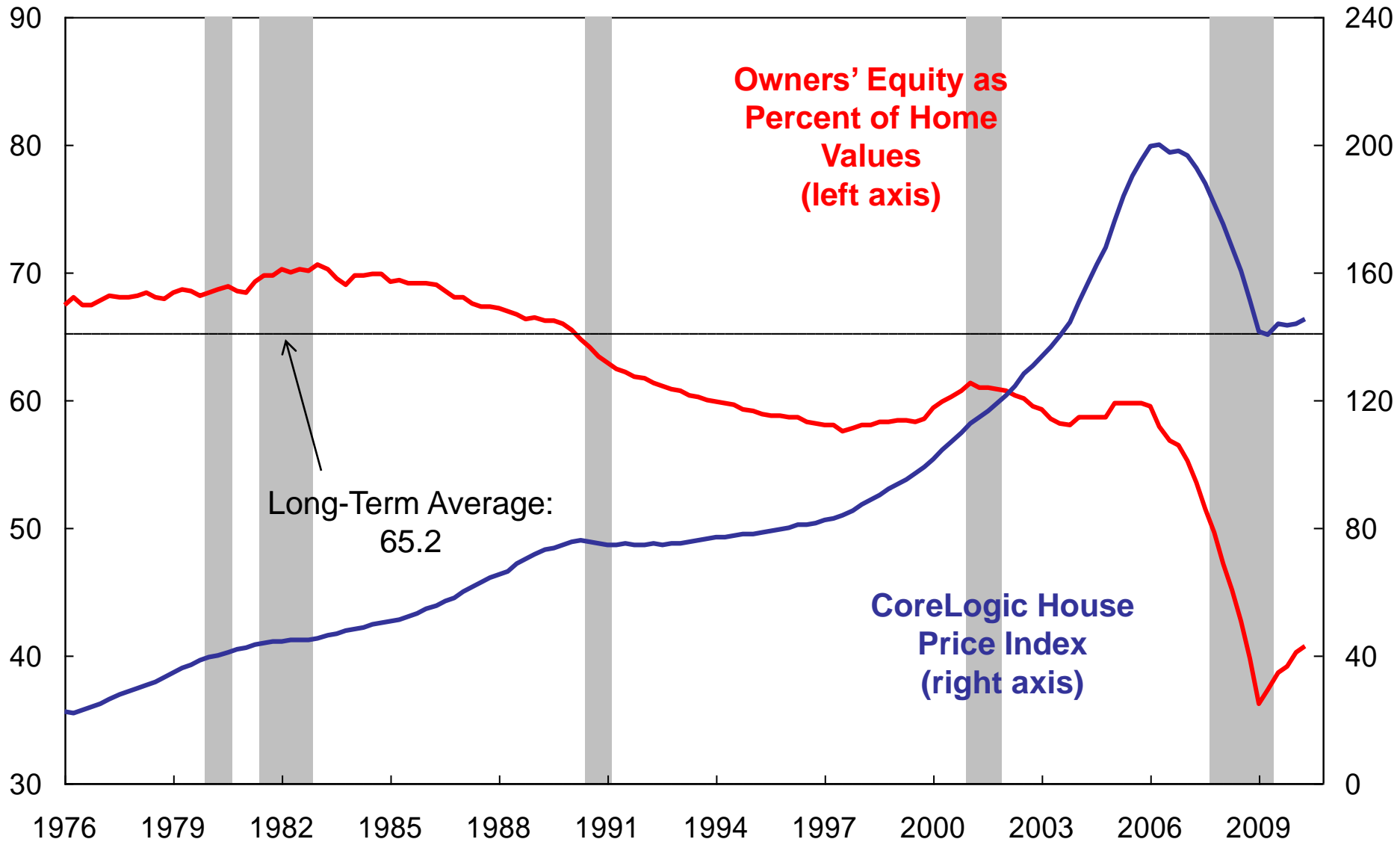
Home Prices and Nonprime Mortgages



Source: Inside Mortgage Finance and CoreLogic

Home Prices and Owners' Equity as Percent of Home Values

Percent Index, January 2000 = 100



Long-Term Average:
65.2

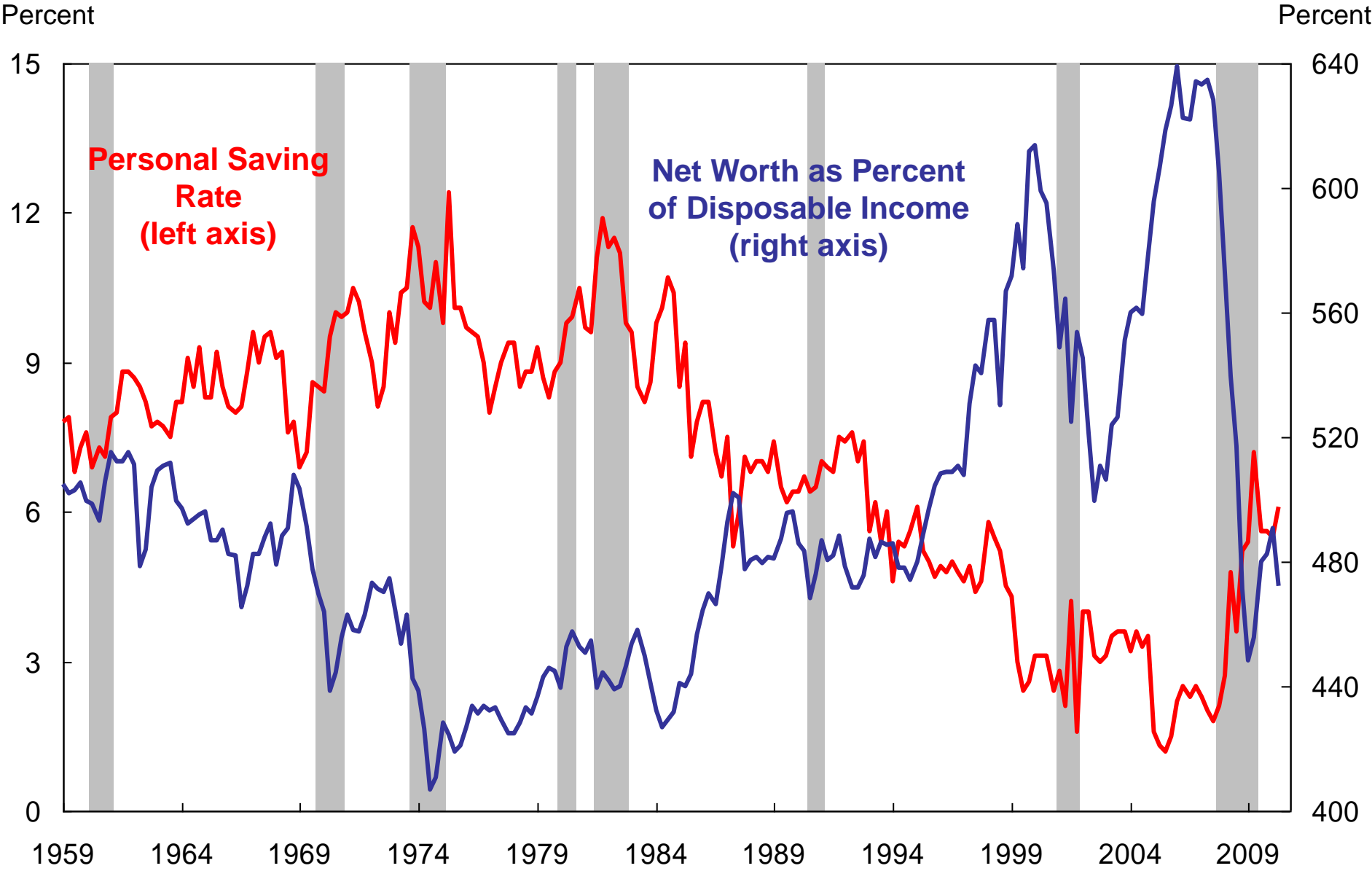
**Owners' Equity as
Percent of Home
Values
(left axis)**

**CoreLogic House
Price Index
(right axis)**

Note: Long-Term Average is of Owners' Equity as Percent of Home Values.

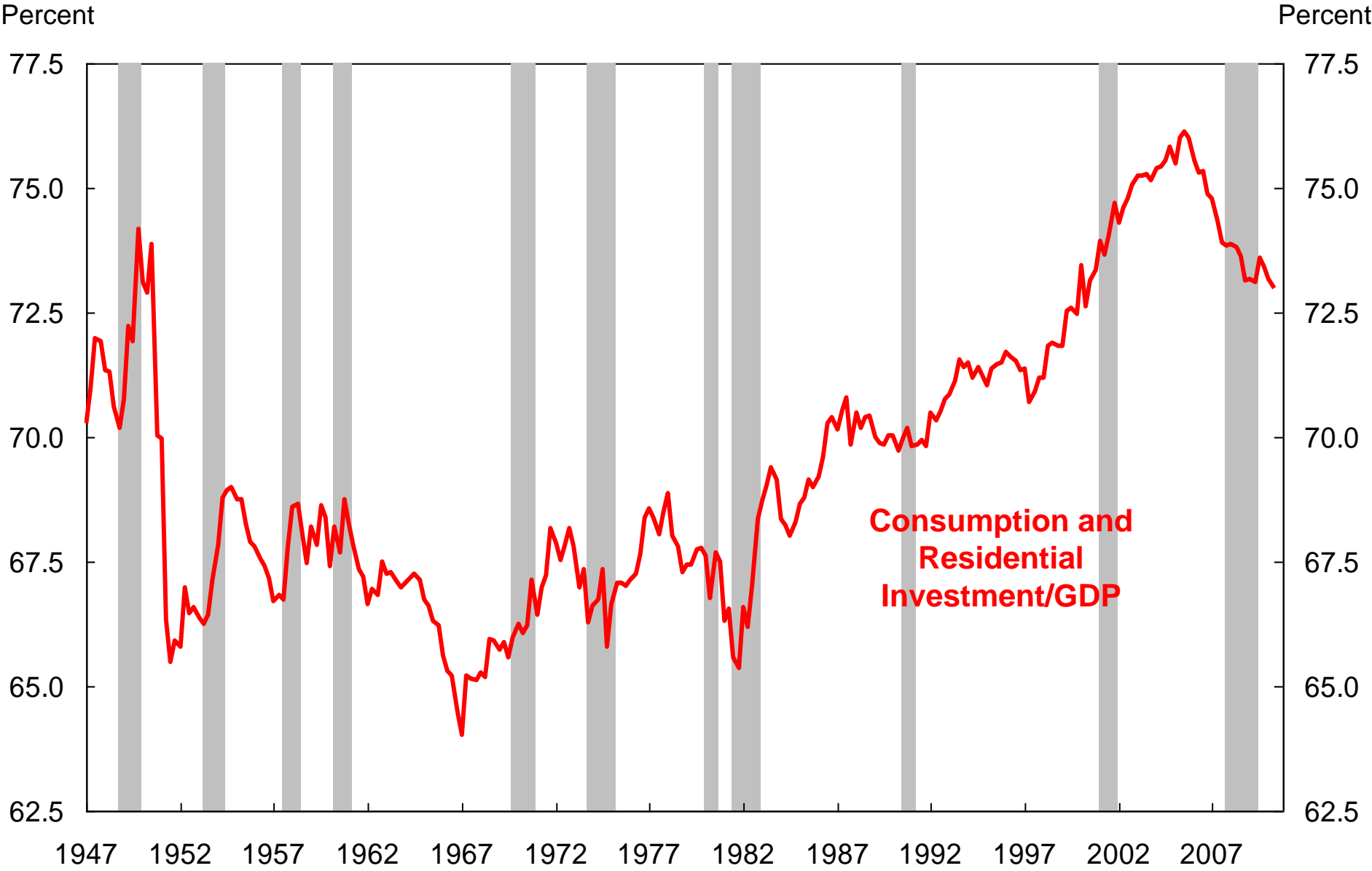
Source: Federal Reserve Board and CoreLogic

Personal Saving Rate and Net Worth as Percent of Disposable Income



Source: Federal Reserve Board and Bureau of Economic Analysis

Consumption and Residential Investment as Percent of GDP

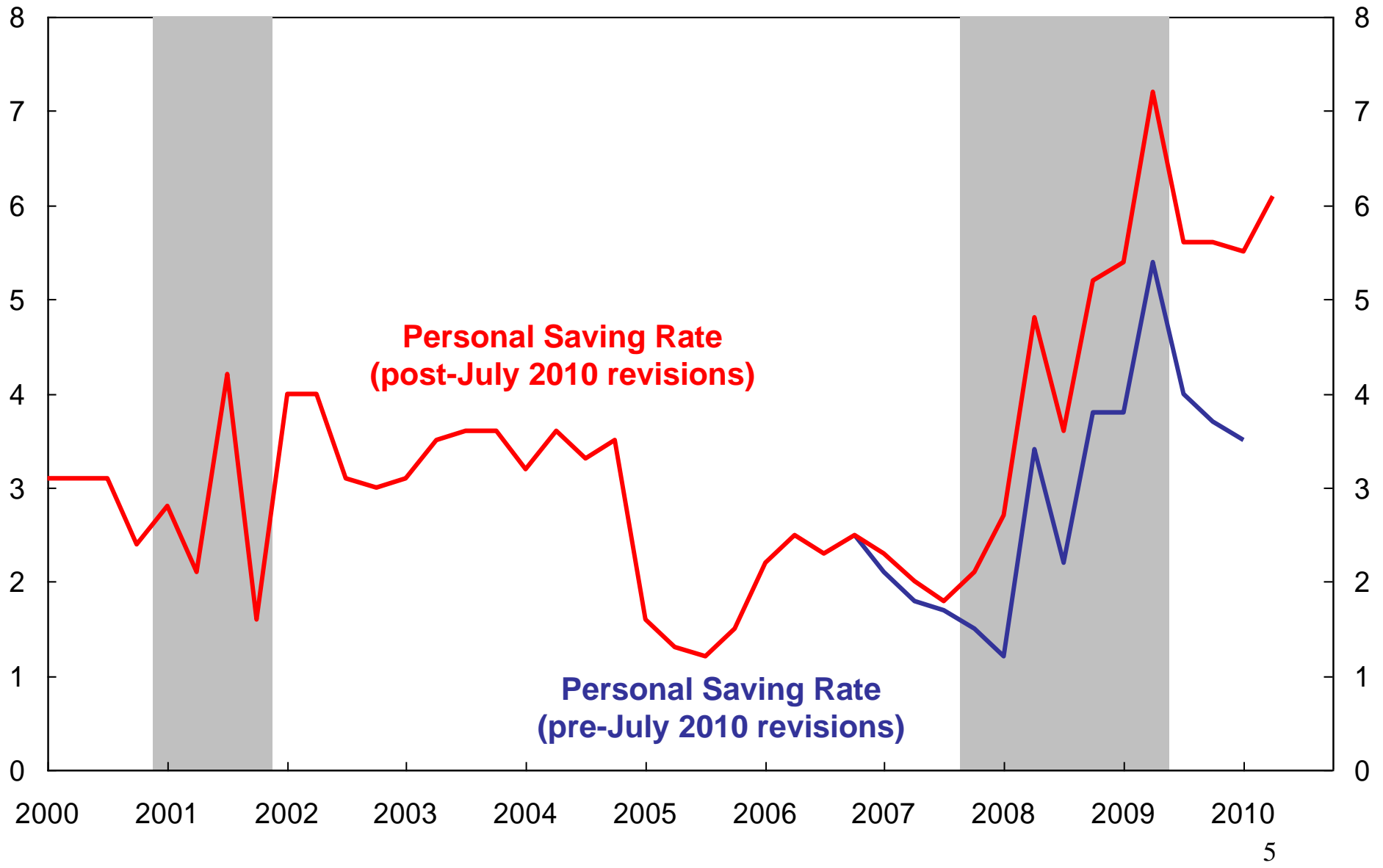


**Consumption and
Residential
Investment/GDP**

Source: Bureau of Economic Analysis

Personal Saving Rate

Percent Percent

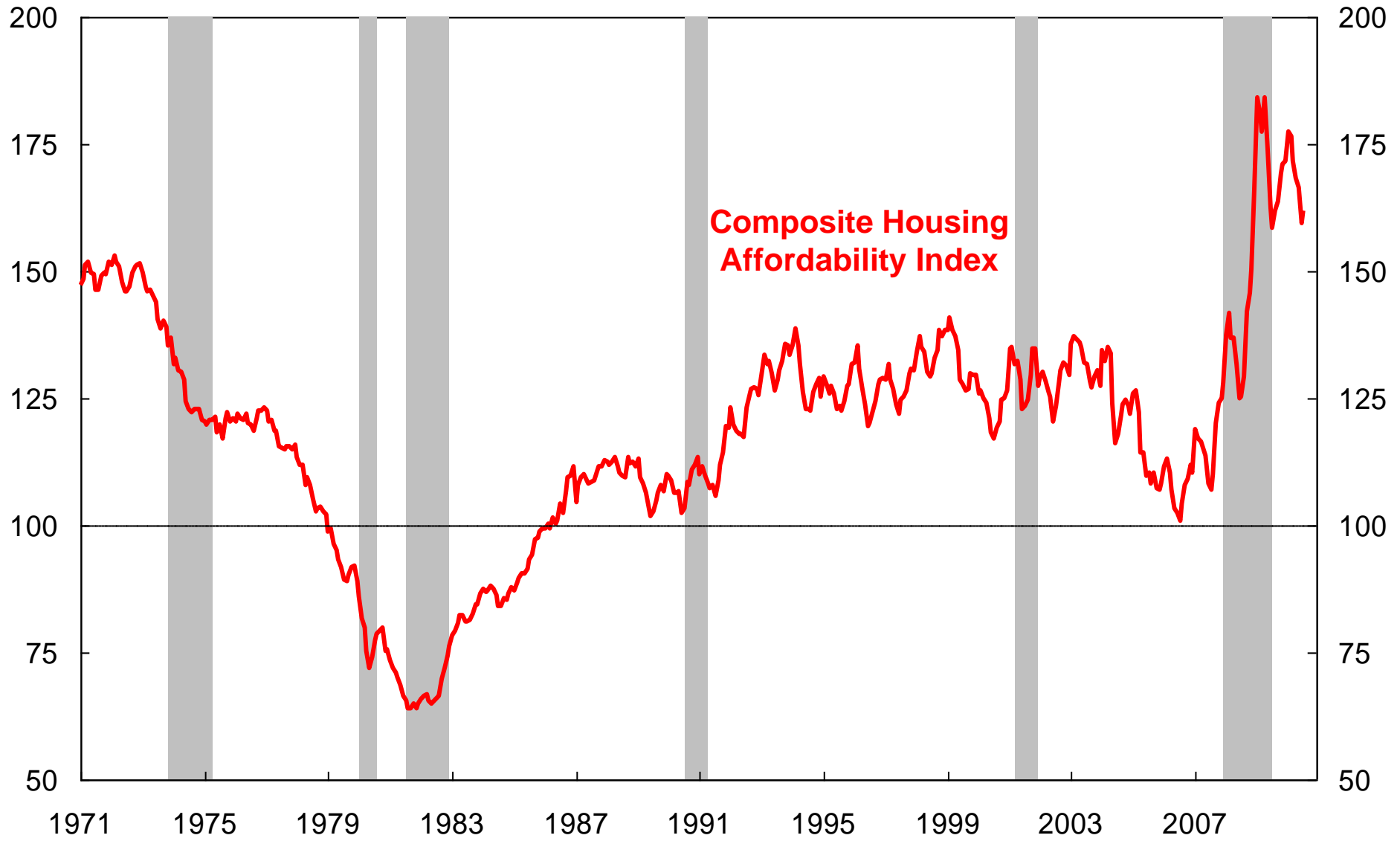


Source: Bureau of Economic Analysis

Composite Housing Affordability Index

Index = 100

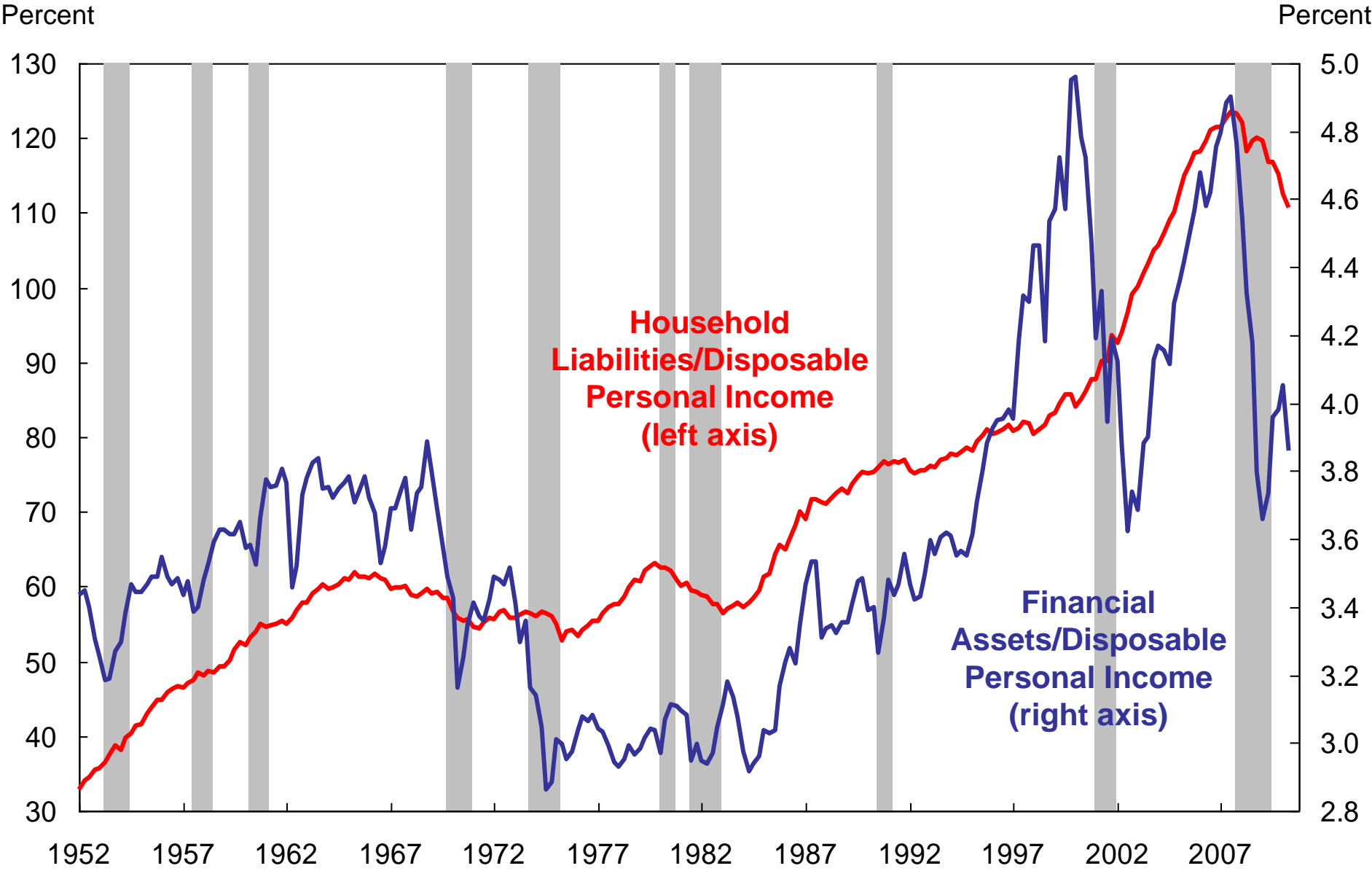
Index = 100



Note: Index = 100 when median family income qualifies for an 80% mortgage on a median priced existing single-family home.

Source: National Associate of Realtors

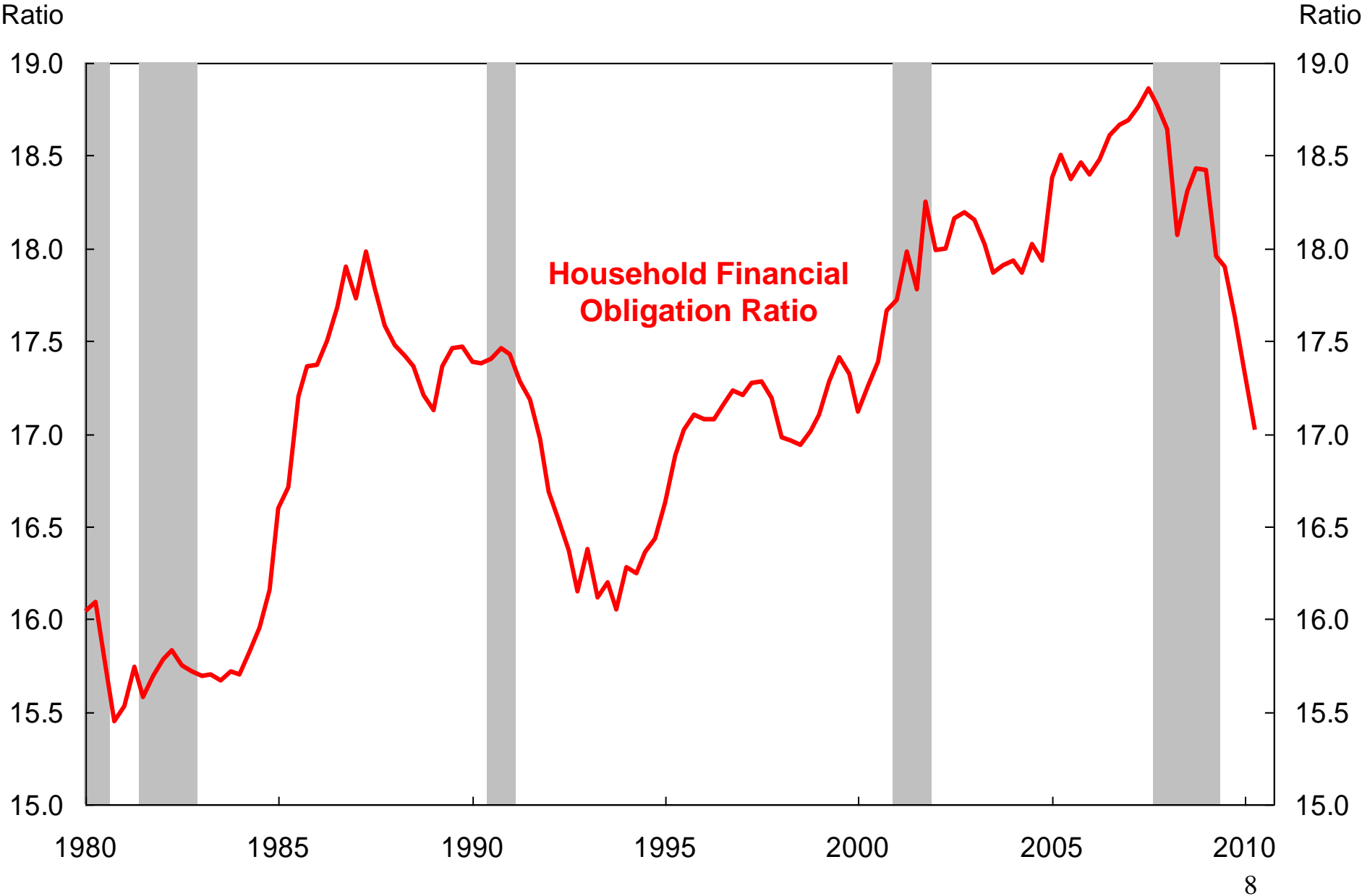
Household Balance Sheet



Note: Household liabilities equal home mortgages and consumer credit.

Source: Federal Reserve Board

Household Financial Obligation Ratio

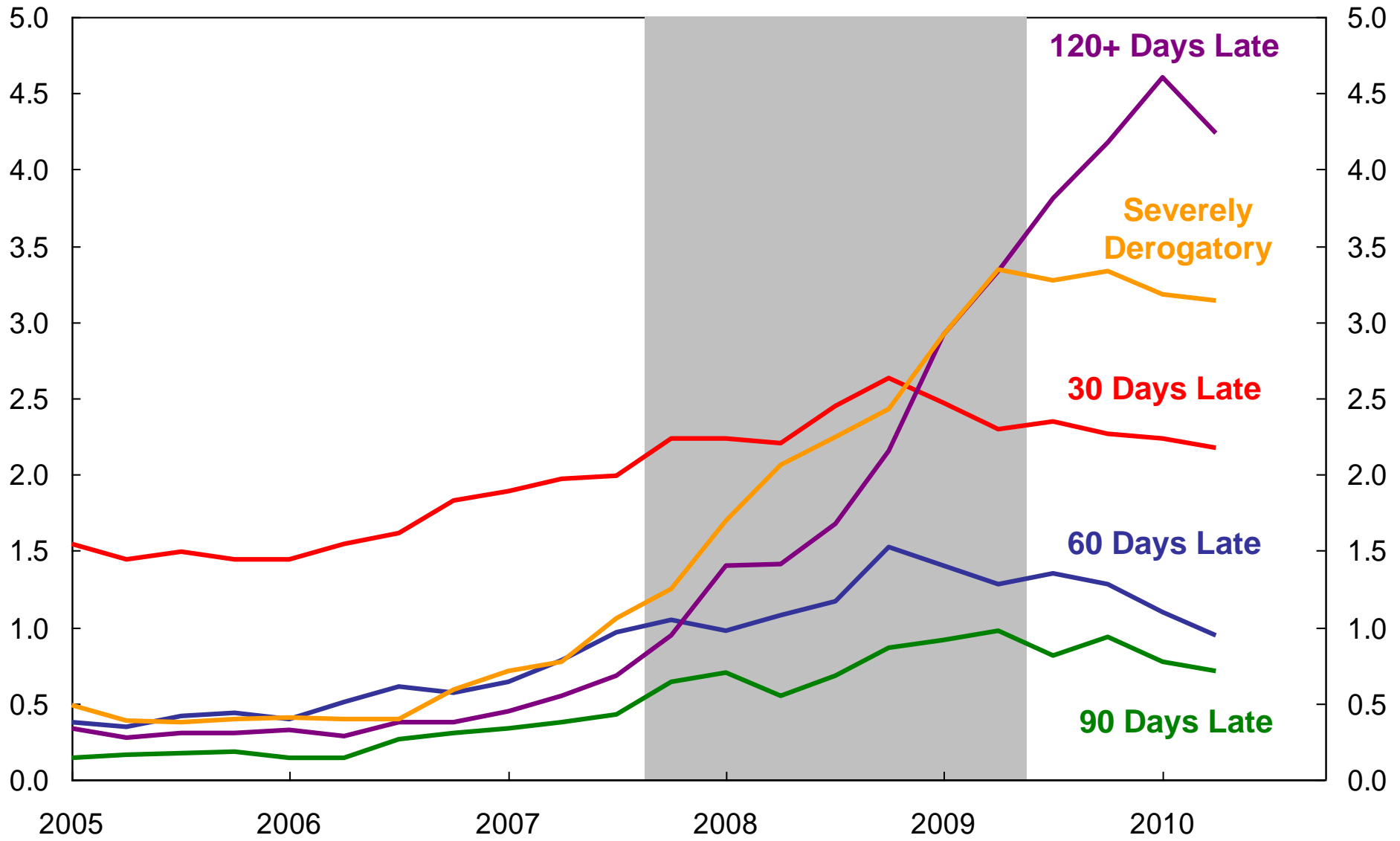


Source: Federal Reserve Board

Mortgage Debt by Delinquency Status

Percent of \$ Amount

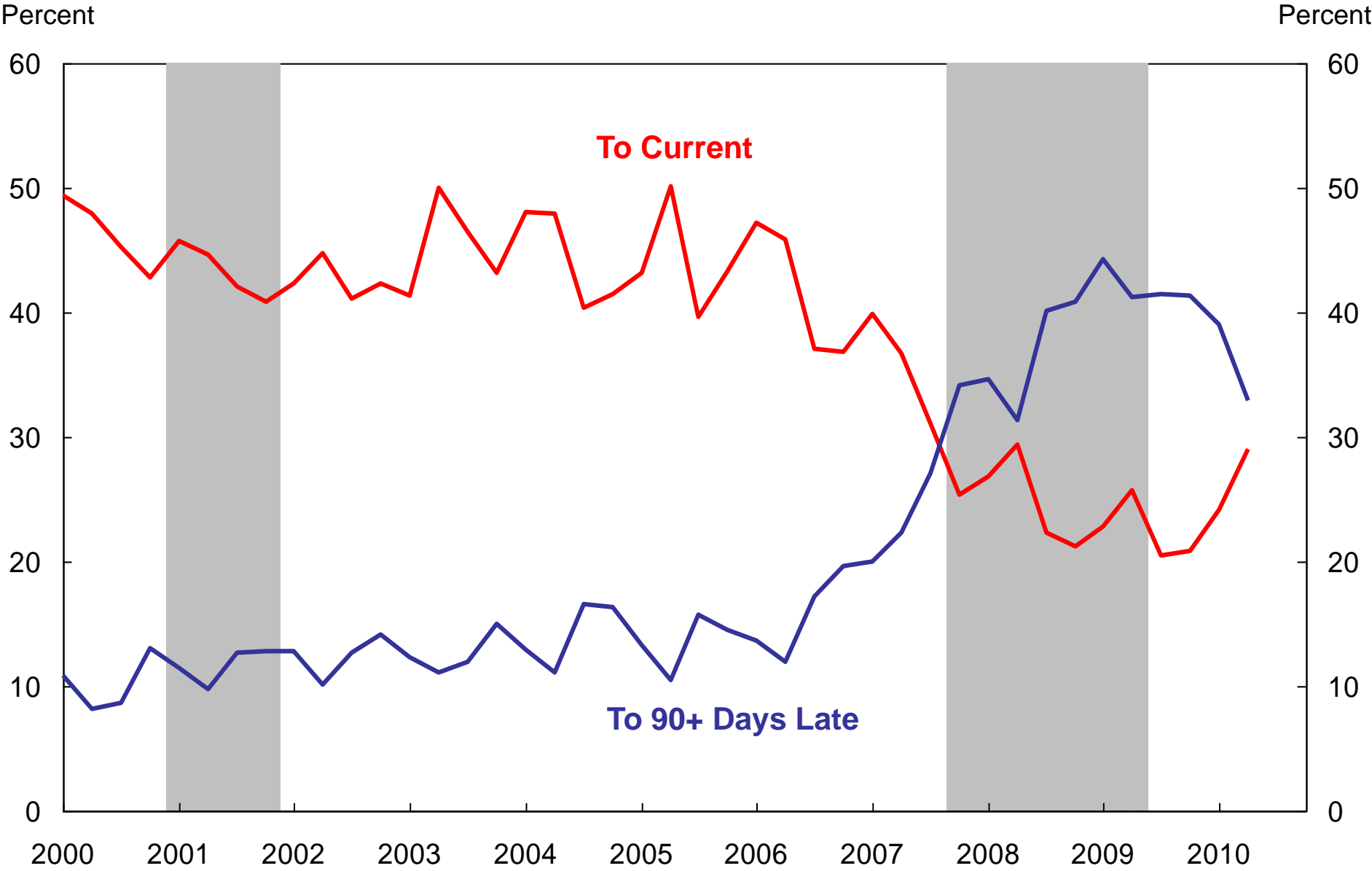
Percent of \$ Amount



Note: Data cover first mortgages, second mortgages, and home equity lines of credit.

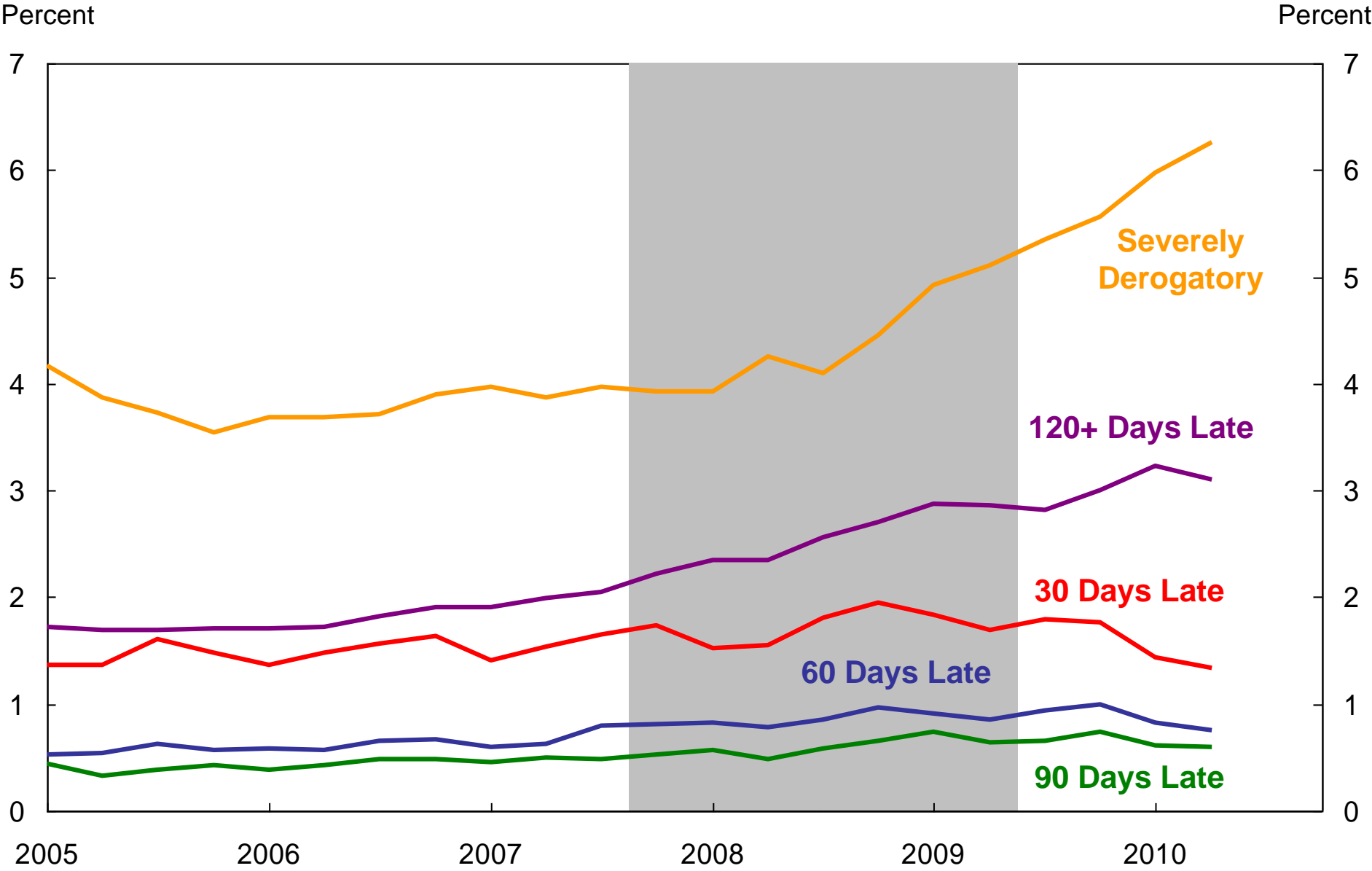
Source: Equifax

Transition of Mortgage Accounts from 30-60 Days Late



Source: FRBNY Equifax Panel Dataset

Non-Mortgage Debt by Delinquency

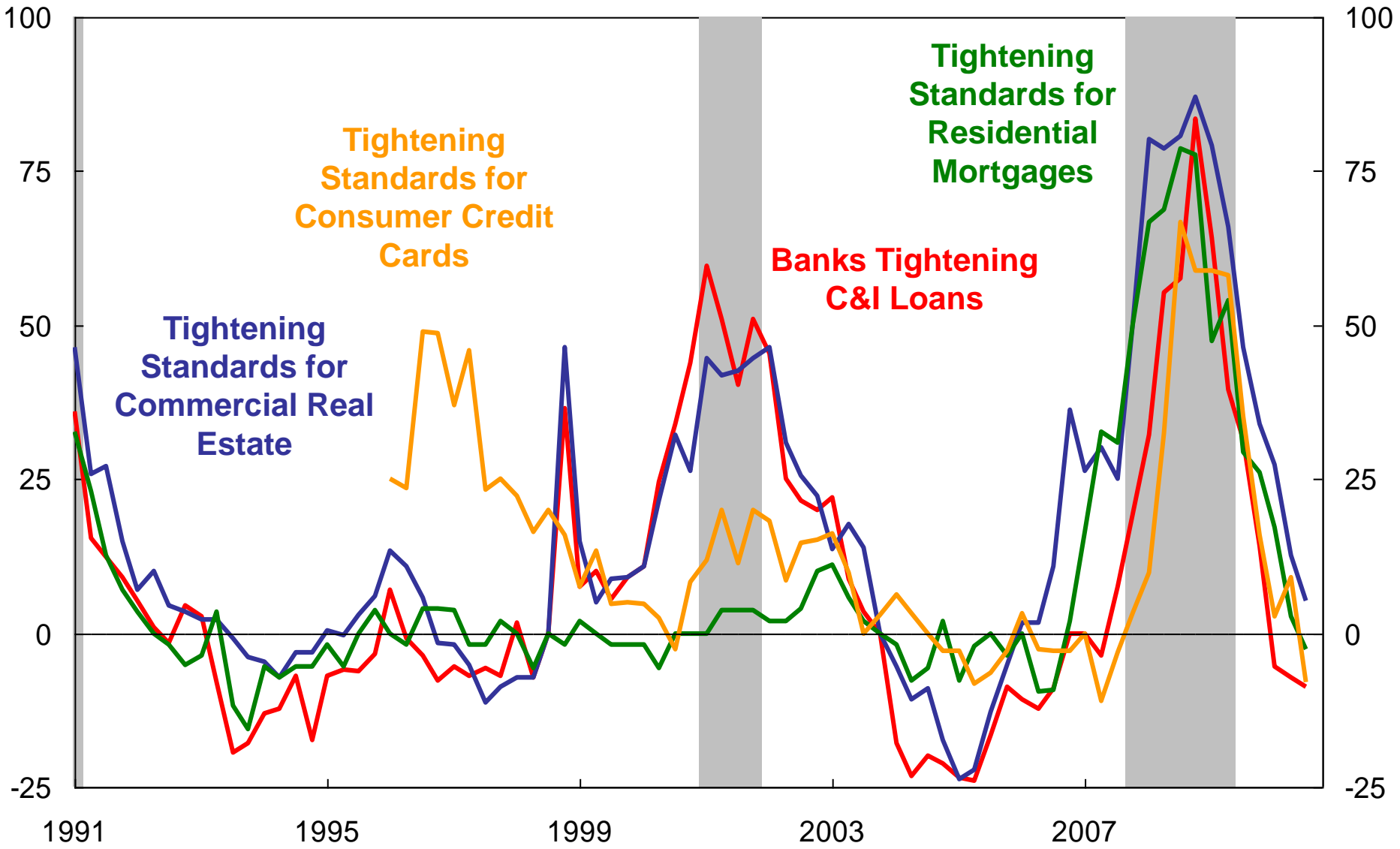


Source: Equifax

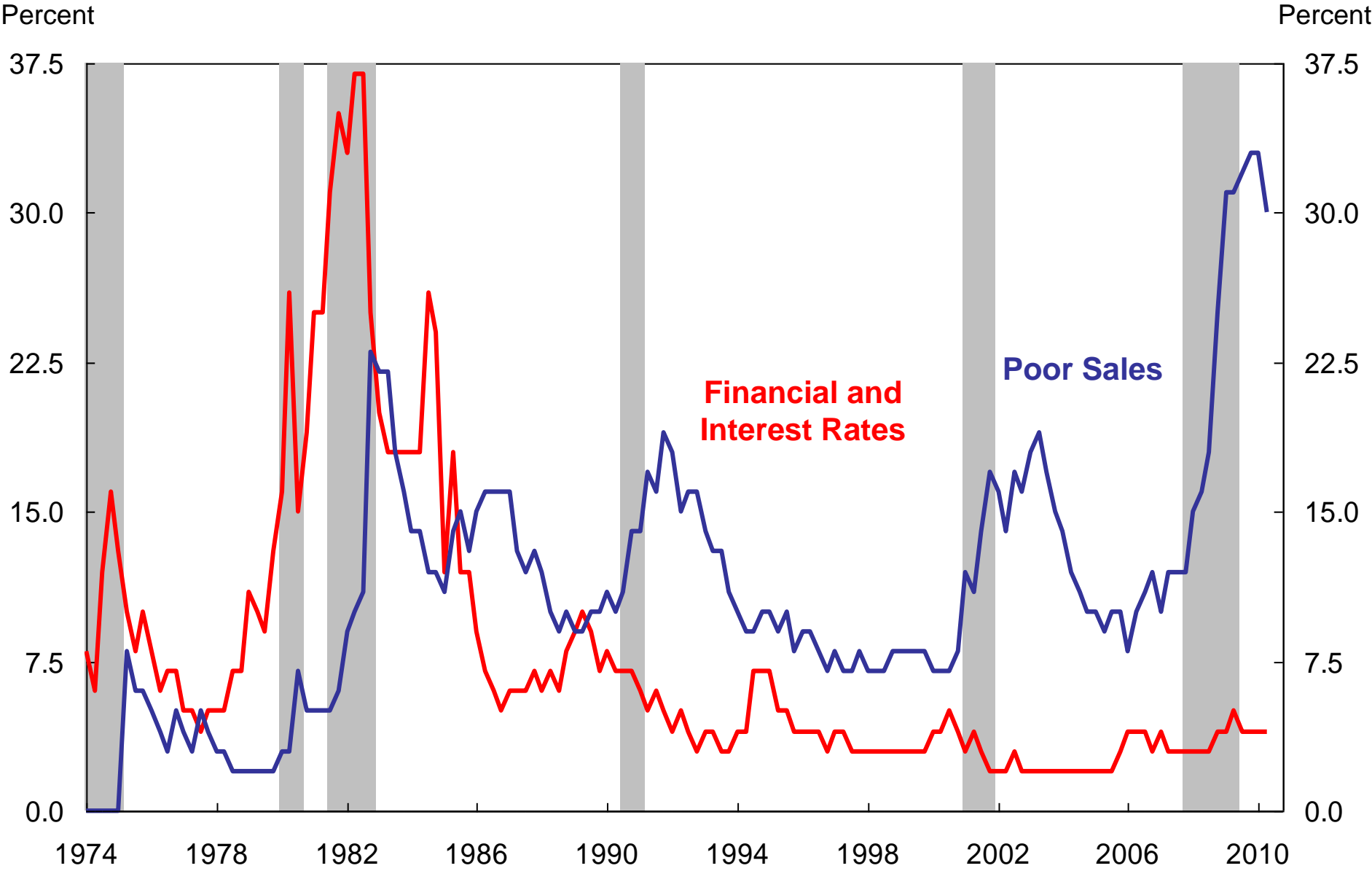
Senior Loan Officers Survey

Net Percent

Net Percent



NFIB Survey: Most Important Problem



Source: National Federation of Independent Business

Reference Charts

Total Debt by Payment Status

Total Debt by Payment Status Billions of Dollars

Status	<u>2005-Q1</u>		<u>2008-Q3</u>			<u>2010-Q2</u>		
	Amount of Total Debt by Payment Status	Percent of Total Debt	Amount of Total Debt by Payment Status	Percent of Total Debt	Percent Change from 2005Q1	Amount of Total Debt by Payment Status	Percent of Total Debt	Percent Change from 2008Q3
Current	8,700.0	95.9%	11,400.0	91.4%	31.0%	10,340.0	88.6%	-9.3%
30 Days Late	136.0	1.5%	289.0	2.3%	112.5%	234.8	2.0%	-18.8%
60 Days Late	37.4	0.4%	138.0	1.1%	269.0%	106.3	0.9%	-23.0%
90+ Days Late	197.9	2.2%	641.5	5.1%	224.2%	985.6	8.4%	53.6%
Total	9,071.3	100.0%	12,468.5	100.0%	37.4%	11,666.7	100.0%	-6.4%

Source: FRBNY Equifax Panel Dataset

Total Debt by Equifax Risk Score Quintile

Total Debt by Equifax Risk Score Quintile Billions of Dollars

Median Equifax Risk Score of Quintile	<u>2005-Q1</u>		<u>2008-Q3</u>			<u>2010-Q2</u>		Percent Change from 2008Q3
	Total Debt	Percent of Total Debt	Total Debt	Percent of Total Debt	Percent Change from 2005Q1	Total Debt	Percent of Total Debt	
807	2,021.8	22.3%	2,286.8	18.3%	13.1%	2,120.5	18.1%	-7.3%
767	2,329.4	25.6%	3,105.5	24.7%	33.3%	2,919.5	25.0%	-6.0%
708	2,362.2	26.0%	3,451.7	27.6%	46.1%	3,174.0	27.1%	-8.0%
631	1,444.4	15.9%	2,281.9	18.4%	58.0%	2,034.7	17.4%	-10.8%
539	928.0	10.2%	1,086.5	8.8%	17.1%	1,007.6	8.6%	-7.3%
Missing Equifax Risk Score	0.0	0.0%	288.8	2.2%	N/A	435.8	3.7%	50.9%
Total	9,085.9	100.0%	12,501.1	100.0%	37.6%	11,692.2	100.0%	-6.5%

Source: FRBNY Equifax Panel Dataset