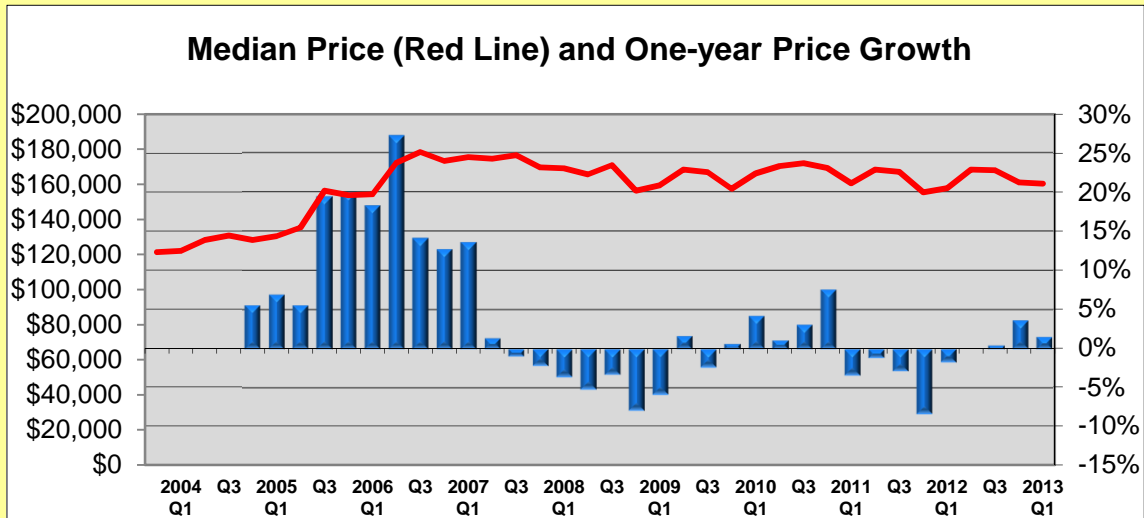


Baton Rouge Area Local Market Report, First Quarter 2013

Today's Market...



Local Price Trends

Price Activity	Baton Rouge	U.S.	Local Trend
Current Median Home Price (2013 Q1)	\$160,400	\$176,033	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2013 Q1)	1.6%	11.2%	
3-year (12-quarter) Appreciation (2013 Q1)	-3.5%	5.8%	
3-year (12-quarter) Housing Equity Gain*	-\$5,800	\$9,667	Price trends in the last three years have undercut the steady post-recession price trend
7-year (28 quarters) Housing Equity Gain*	\$6,000	-\$40,867	
9-year (36 quarters) Housing Equity Gain*	\$38,400	-\$5,033	

*Note: Equity gain reflects price appreciation only

	Baton Rouge	U.S.	
Conforming Loan Limit**	\$417,000	\$625,500	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$280,000	\$729,250	
Local Median to Conforming Limit Ratio	38%	not comparable	

Note: limits are current and include the changes made in November of 2012 and extended in November of 2013

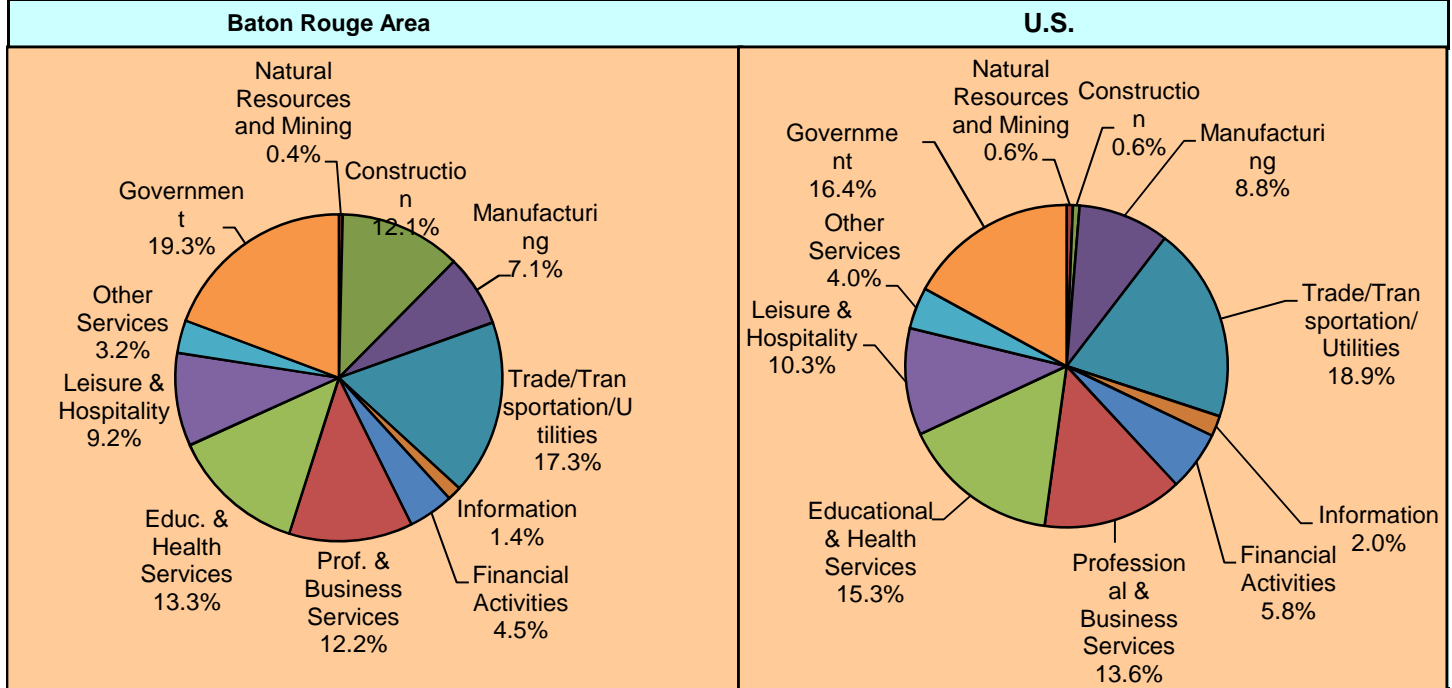
Local NAR Leadership

The Baton Rouge market is part of region 10 in the NAR governance system, which includes all of Louisiana and Texas. The 2013 NAR Regional Vice President representing region 10 is Brooke S. Hunt.

Drivers of Local Supply and Demand...

Local Economic Outlook	Baton Rouge	U.S.	
12-month Job Change (Mar)	7,500	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Feb)	8,900	Not Comparable	
36-month Job Change (Mar)	18,600	Not Comparable	Unemployment in Baton Rouge is better than the national average and improving
Current Unemployment Rate (Mar)	5.8%	7.6%	
Year-ago Unemployment Rate	6.6%	8.2%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	2.0%	1.6%	

Share of Total Employment by Industry



12-month Employment Change by Industry in the Baton Rouge Area (Mar - 2013)

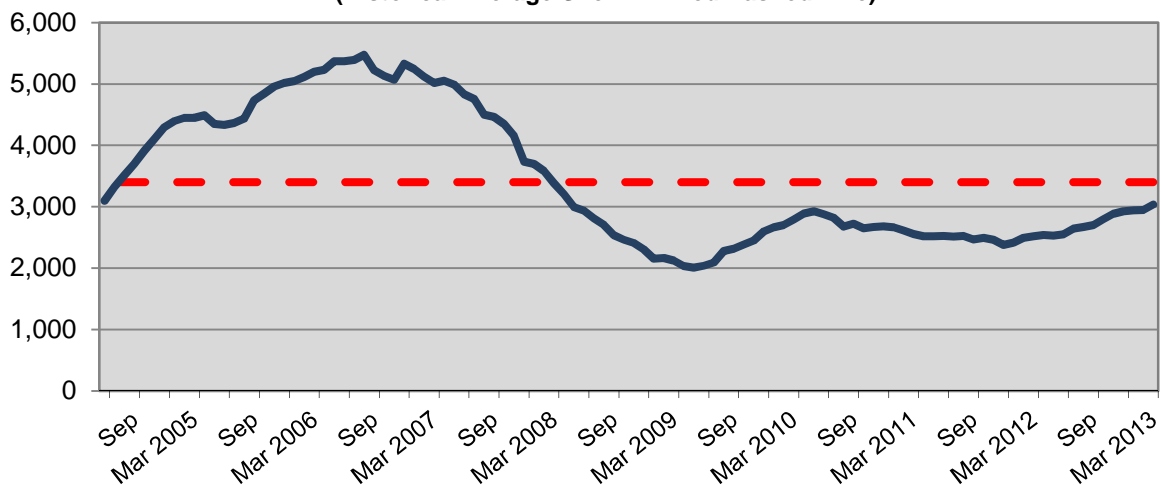
Goods Producing	NA	Information	400
Natural Resources/Mining/Construction	NA	Financial Activities	-100
Natural Resources and Mining	-400	Prof. & Business Services	2,800
Construction	5,900	Educ. & Health Services	100
Manufacturing	600	Leisure & Hospitality	600
Service Providing Excluding Government	NA	Other Services	-100
Trade/Transportation/Utilities	-400	Government	-1,900

State Economic Activity Index	Louisiana	U.S.	
12-month change (2013 - Mar)	1.1%	2.8%	Louisiana's economy is growing, but decelerated from last month's 1.32% change and lags the rest of the nation
36-month change (2013 - Mar)	4.0%	8.3%	

New Housing Construction

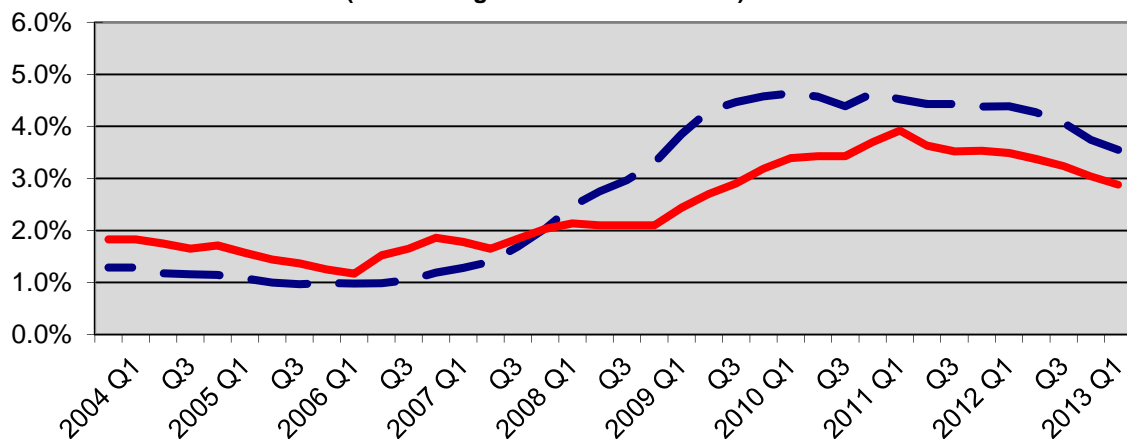
Local Fundamentals	Baton Rouge	U.S.	
12-month Sum of 1-unit Building Permits through Mar 2013	3,034	not comparable	The current level of construction is 10.7% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	3,398	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Mar 2013) 12-month sum vs. a year ago	20.5%	25.6%	Construction is on the rise relative to last year, suggesting that the local inventory has stabilized

Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)



While new construction is the traditional driver of supply in real estate, foreclosures and short-sales now have a strong impact on inventories, particularly at the local level. Rising inventories, through construction or distressed sales, place downward pressure on the median home prices.

State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)



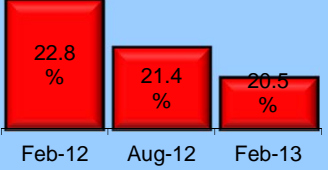
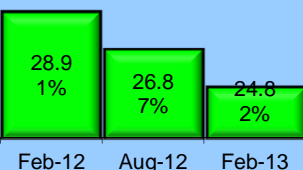
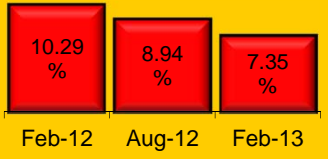
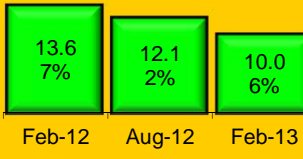
Source: Mortgage Bankers' Association

Composition of Mortgaged Homes in Local Area

Monthly Market Data - February 2013	Baton Rouge	U.S.	
Prime Mortgages Outstanding (estimate)	117,010	48,760,866	There are nearly 11.8 prime loans for every subprime mortgage in the Baton Rouge market, which is less than the national average of 15.8 suggesting that subprimes make up a greater share of the local market than on average.
Subprime Mortgages Outstanding (estimate)	9,895	3,085,634	

Source: First American CoreLogic, LoanPerformance data

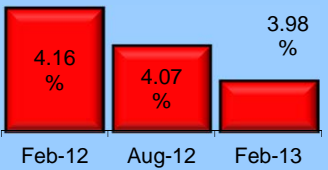
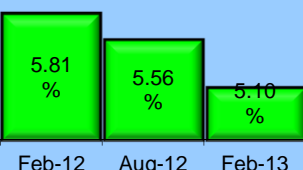
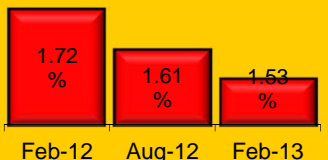
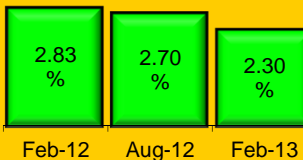
Subprime Foreclosure and Delinquency Rates

Monthly Market Data - February 2013	Baton Rouge	U.S.	
Subprime: 90-day Delinquent	 <p>Feb-12 Aug-12 Feb-13</p>	 <p>Feb-12 Aug-12 Feb-13</p>	The 90-day delinquency rate for subprime mortgage in Baton Rouge fell over the 6-month period ending in February
Subprime: Foreclosure + REO Rate	 <p>Feb-12 Aug-12 Feb-13</p>	 <p>Feb-12 Aug-12 Feb-13</p>	The recent decline of the 90-day delinquency rates suggests that local foreclosure rates will continue to decline in the near future.

The "foreclosure + REO rate" is the number of mortgages, by metro area, that are either in the foreclosure process or have completed the foreclosure process and are owned by banks divided by the total number of mortgages for that area.

Source: First American CoreLogic, LoanPerformance data

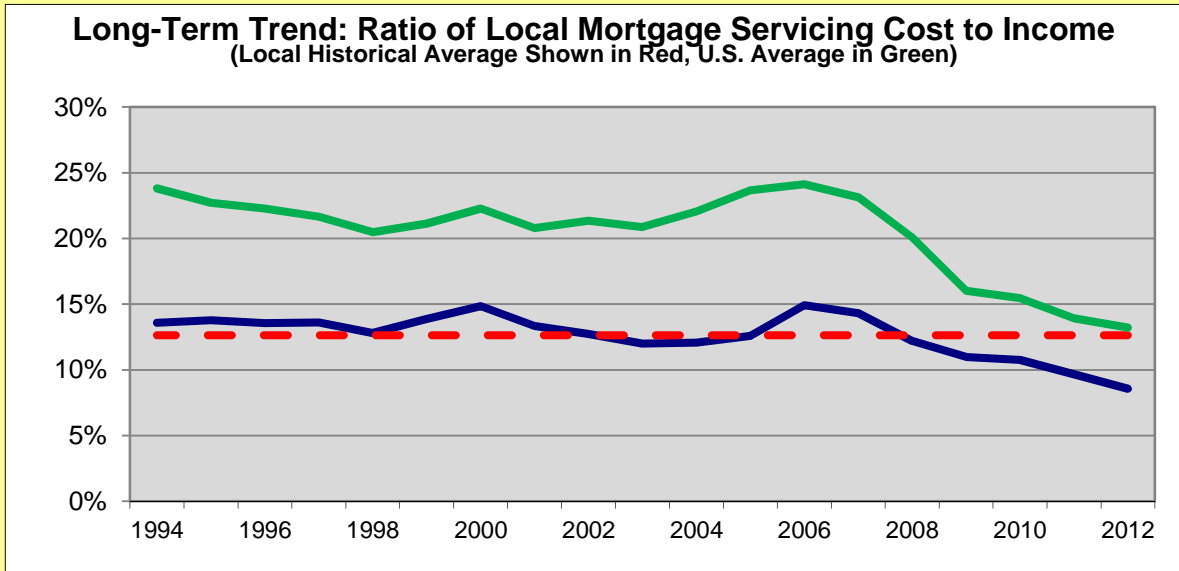
Prime Foreclosure and Delinquency Rates

Monthly Market Data - February 2013	Baton Rouge	U.S.	
Prime: 90-day Delinquent	 <p>Feb-12 Aug-12 Feb-13</p>	 <p>Feb-12 Aug-12 Feb-13</p>	The 90-day delinquency rate in Baton Rouge fell over the 6-month period ending in February
Prime: Foreclosure + REO Rate	 <p>Feb-12 Aug-12 Feb-13</p>	 <p>Feb-12 Aug-12 Feb-13</p>	The recent decline of the 90-day delinquency rates suggests that local foreclosure rates will continue to decline in the near future.

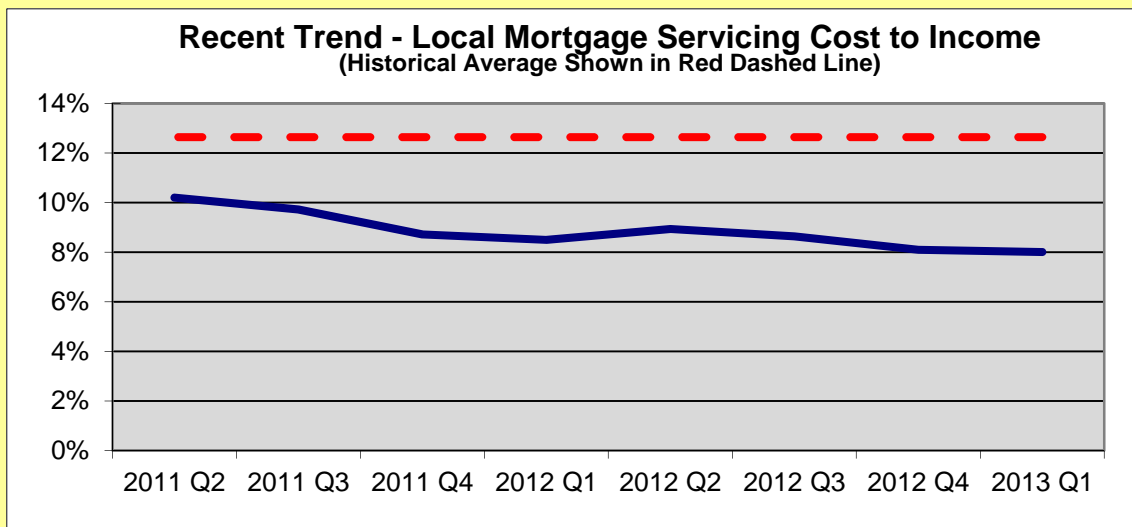
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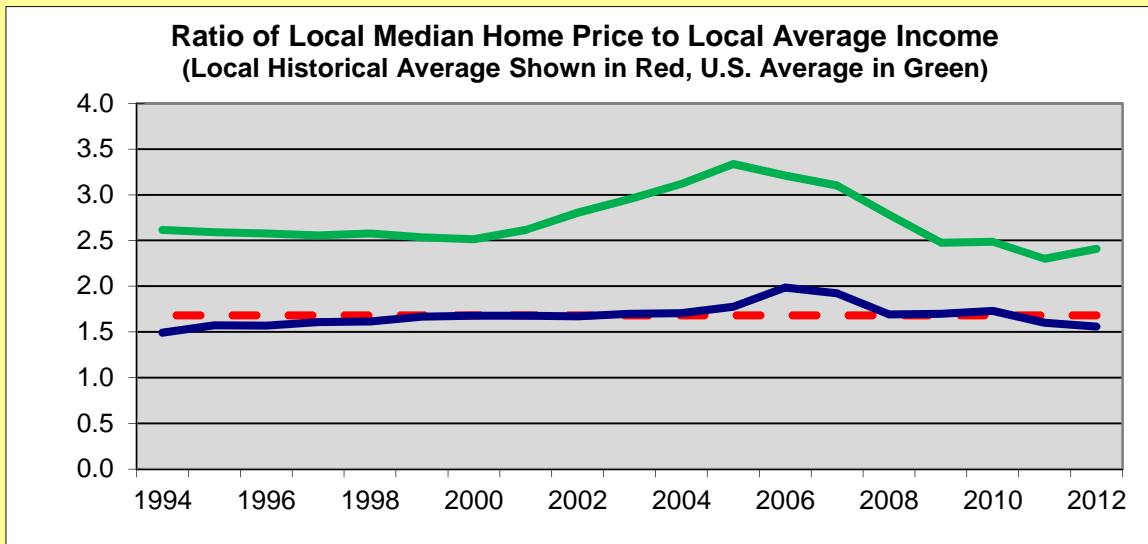
Affordability



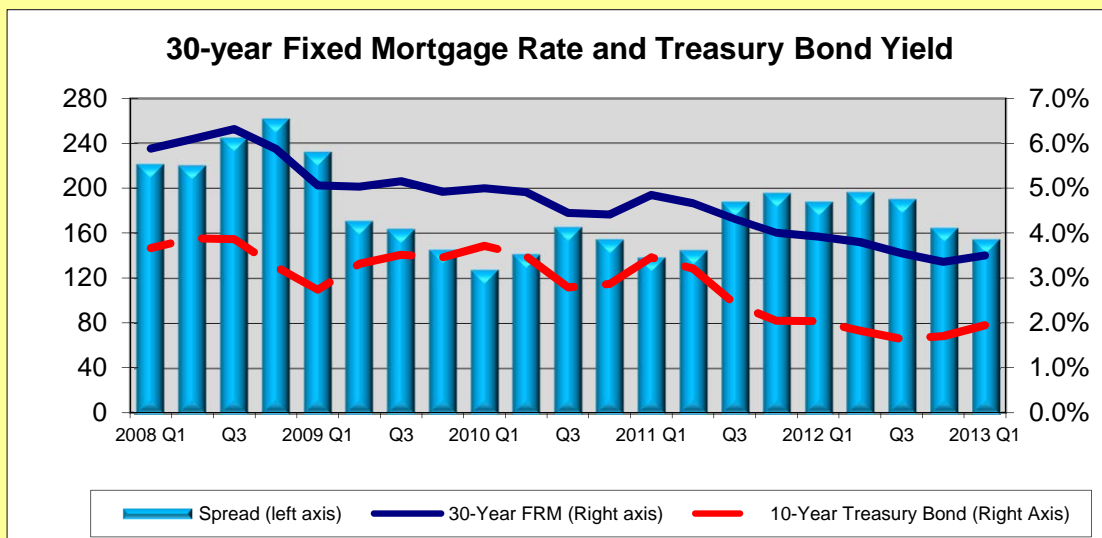
Monthly Mortgage Payment to Income	Baton Rouge	U.S.	
Ratio for 2012	8.6%	13.2%	Historically strong and an improvement over the fourth quarter of 2012
Ratio for 2013 Q1	8.0%	12.6%	
Historical Average	12.6%	20.7%	More affordable than most markets



Median Home Price to Income	Baton Rouge	U.S.	
Ratio for 2012	1.6	2.4	The price-to-income ratio has fallen and is below the historical average
Ratio for 2013 Q1	1.5	2.3	
Historical Average	1.7	2.7	Affordable compared to most markets

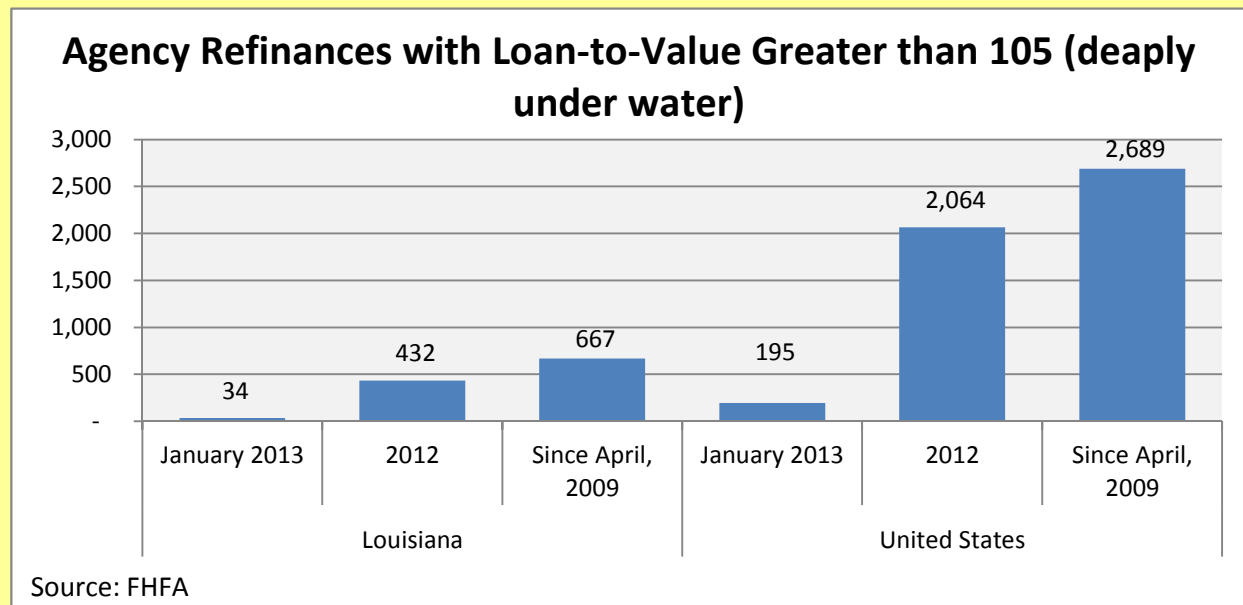


The Mortgage Market



Mortgage rates edged higher in the first quarter of 2013 following an upward surge in the 10-year Treasury. A slew of positive economic news and anticipation of a robust long-term recovery gave MBS and bond market analysts hopes for steady appreciation in rates. As a result, the spread between the two long-term rates eased modestly. However, weaker employment, GDP and consumer confidence news emerged in late March and early April, which deflated the average rate for the 30-year fixed rate mortgage. A modest pull-back in refinancing coupled with near-term economic weakness should keep rates low through summer before they track upward through the end of the year. The Bank of Japan is reportedly purchasing large volumes of its own debt which is expected to spur debt traders to purchase more Ginnie Mae backed assets as an alternative, which should also help to put downward pressure on mortgage rates. While there has been a recent trend toward low downpayment loans in the conforming space, pulling some market share from the FHA, the average FICO score on these originations remains very high. Credit will remain tight until the market receives regulatory clarity from final QRM and Basel III rules.

A Closer Look...HARP Refinances



HARP Loan Modifications	Louisiana	U.S.	
2012 and January 2013	466	2,259	Underwater HARP modifications in Louisiana rose by 132% since 2011 compared to the prior 34-month period.
Prior to 2012	201	430	

The Home Affordable Refinance Program (HARP) was started in April of 2009 as a means for homeowners to take advantage of lower mortgage rates. Refinances have the double benefit of reducing the likelihood of default by making payments more affordable as well as boosting personal spending and the economy. Only homeowners with mortgages owned by Fannie Mae or Freddie Mac can participate. The program had limited initial success as the sharp price declines in the hardest hit areas resulted in average loan-to-value ratios above the program's cap of 125%. In December of 2011, this cap was eliminated and program participation surged. In Louisiana, the number of refinances with an LTV greater than 125% surged 132% over the 13-month period ending in January of 2013 compared to the 34-month period from the inception of HARP to the change in LTV rules. This trend trailed the national pattern over this same period. The wave of refinances has helped to stabilize the distressed market and home prices, helping consumer confidence and demand. However, it may also extend the time the owners stay in their homes past the 6-year historical average resulting in slower turnover and exacerbating inventory shortages. Tight inventories will help to fuel price growth that will unlock more underwater borrowers with time.

Geographic Coverage for this Report

The Baton Rouge area referred to in this report covers the geographic area of the Baton Rouge metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Ascension Parish, East Baton Rouge Parish, East Feliciana Parish, Iberville Parish, Livingston Parish, Pointe Coupee Parish, St. Helena Parish, West Baton Rouge Parish, and West Feliciana Parish

More information on the OMB's geographic definitions can be found at http://www.whitehouse.gov/omb/inforeg_statpolicy/