

January 28, 2010



## **Fiserv Case-Shiller Home Price Insights: U.S. Housing Prices See First Back-to- Back Quarterly Price Gains Since 2005**

However, headwinds remain; prices expected to decline in 2010

BROOKFIELD, Wis.--(BUSINESS WIRE)-- Fiserv, Inc. (NASDAQ: FISV), the leading global provider of financial services technology solutions, today released an analysis of home price trends in more than 375 U.S. markets based on the Fiserv<sup>(R)</sup> Case Shiller Indexes<sup>(R)</sup>, which is owned and generated by Fiserv, and data from the Federal Housing Finance Agency (FHFA).

U.S. home prices increased 2 percent in the third quarter of 2009, adding to the 2 percent increase in the second quarter, marking the first back-to-back quarterly price gains the U.S. housing market has seen since 2005. Despite the positive performance in the second quarter, the housing market will continue to be buffeted by strong headwinds in 2010 due to large supplies of distressed properties, rising interest rates and high unemployment rates. Fiserv<sup>(R)</sup> Case-Shiller<sup>(R)</sup> reaffirms its projection of an approximate 11.5 percent decline in housing prices for 2010.

In the second quarter, near record low mortgage interest rates, the \$8,000 first-time tax buyer credit and lower prices led to a surge in demand from both investors and new homebuyers. Existing home sales jumped from 4.5 million units in January 2009 to 6.5 million in November 2009, the highest gains since 2006. The largest spring/summer price gains were recorded in markets where huge price declines have dramatically improved housing affordability, such as Chicago, Memphis, Tenn., and San Jose, Calif.

"It appears that most of the housing demand from first-time buyers was pushed forward to 2009 in anticipation of the November expiration of the homebuyer tax credit," said David Stiff, chief economist, Fiserv. "So, it seems unlikely that the extension and expanded eligibility of the credit through April 2010 will substantially boost demand this year."

The federal government's mortgage modification program (HAMP) slowed the flood of distressed properties hitting many of these markets, as mortgage servicers tried to meet the guidelines of the program and ramp up their work-out processes.

"Unfortunately, most of the factors that propped up home prices in 2009 will be transitory, so I expect that prices will begin falling again during the winter and early spring of 2010 before bottoming out later this year," said Stiff.

Aside from the strong second and third quarters, over the past year the U.S. housing market continued its price correction, with single-family home prices across the U.S. falling an average of 9 percent over the 12-month period ending September 30, 2009. The Fiserv Case Shiller Indexes forecast that average single-family home prices will fall another 11.5 percent over the next twelve months. Steep home price declines are expected to continue in markets that have been hurt most by the housing crisis, including metro areas in California, Nevada, Arizona and Florida.

"Furthermore, the pace of distressed property sales is likely to reaccelerate because only a small fraction of HAMP trial work-outs are resulting in successful mortgage modifications," said Stiff.

Nationally, home prices have fallen 8.9 percent over the past year, leaving the median price at \$178,200. The median monthly mortgage payment in the 2009 third-quarter jumped to 15 percent of median family income, an increase of 1 percent over the second quarter.

The Fiserv Case Shiller Indexes, which include data covering thousands of zip codes, counties, metro areas and state markets, are owned and generated by Fiserv. The historical and forecast home price trend information in this report is calculated with the Fiserv proprietary Case-Shiller indexes, supplemented with data from the FHFA. The historical home price trends highlighted in this release are for the 12-month period that ended September 30, 2009. One-year forecasts are for the 12 months ending on September 30, 2010. The Case-Shiller home price forecasts are produced by Fiserv and Moody's Economy.com.

Detailed home price data and information on the Indexes can now be found at the new Fiserv Case-Shiller website at [www.caseshiller.fiserv.com](http://www.caseshiller.fiserv.com). At that site, users can get the latest housing news and find detailed information and home price forecasts for 381 U.S. markets.

An example of the Fiserv core competency in insights and optimization, Fiserv Case Shiller Indexes use the repeat sales method for index calculation, analyzing data on single-family properties that have two or more recorded sales transactions, in order to capture the true appreciated value of each specific sales unit. Each index is calculated monthly, using a specific three-month moving average algorithm. Home sales pairs are accumulated in rolling three-month periods applying the repeat sales methodology and the index point for each reporting month is based on sales pairs found for that month and the preceding two months. For example, the April 2008 index point is based on repeat sales for February, March and April of 2008. The averaging methodology is used to offset any delays in sales data recording and to keep sample sizes large enough to create accurate price change averages.

Representative home price data for major U.S. markets:

		Change in Home	Change in Home	Forecast Change
		Prices	Prices	in
		Prices	Prices	Home Prices
Metro Area	Population (2006)	(2006:Q3 to 2009:Q3)	(2008:Q3 to 2009:Q3)	(2009:Q3 to 2010:Q3)
United States	281,421,906	-27.1 %	-8.9 %	-11.5 %

Austin, TX	1,513,565	12.4 %	-0.6 %	-2.6 %
Baltimore, MD	2,658,405	-16.1 %	-7.3 %	-9.1 %
Columbus, OH	1,725,570	-8.3 %	-2.4 %	-5.6 %
Fort Worth, TX	1,984,468	5.6 %	0.6 %	-2.4 %
Indianapolis, IN	1,666,032	-0.2 %	-1.4 %	-2.2 %
Jacksonville, FL	1,277,997	-30.1 %	-14.2 %	-14.5 %
Kansas City, MO	1,967,405	-1.8 %	-1.4 %	-3.0 %
Louisville, KY	1,222,216	2.5 %	-0.4 %	-1.6 %
Milwaukee, WI	1,509,981	-9.3 %	-7.7 %	-3.4 %
Nashville, TN	1,455,097	-2.7 %	-3.9 %	-3.4 %
New Orleans, LA	1,024,678	-1.8 %	-1.7 %	-3.9 %
Orlando, FL	1,984,855	-47.5 %	-22.9 %	-20.8 %
Philadelphia, PA	3,885,395	-7.1 %	-4.3 %	-5.0 %
Raleigh, NC	994,551	6.8 %	-2.8 %	-1.6 %
Sacramento, CA	2,067,117	-46.8 %	-11.1 %	-10.9 %
Salt Lake City, UT	1,067,722	-1.3 %	-8.4 %	-7.9 %
San Antonio, TX	1,942,217	10.0 %	1.0 %	-2.4 %
San Jose, CA	1,787,123	-31.7 %	-8.7 %	-18.9 %
St. Louis, MO	2,796,368	-5.5 %	-2.3 %	-2.9 %
Tucson, AZ	946,362	-30.8 %	-14.0 %	-9.8 %

## About Fiserv

Fiserv, Inc. (NASDAQ: FISV) is the leading global provider of information management and electronic commerce systems for the financial services industry, driving innovation that transforms experiences for financial institutions and their customers. Ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry, Fiserv celebrates its 25<sup>th</sup> year in 2009. For more information, visit [www.fiserv.com](http://www.fiserv.com).

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Source: Fiserv, Inc.