



Fiserv Case-Shiller(R) Home Price Insights: Weakness Broadens Across U.S. Housing Market as Credit Crunch, Tighter Lending Standards and Sagging Economy Take a Toll

BROOKFIELD, Wis.--(BUSINESS WIRE)-- Fiserv, Inc. (NASDAQ: FISV):

- Outlook dims for even those markets that have to date bucked the national trend
- Bubble markets, manufacturing centers and suburbs continue to face falling home values

In a year when home prices across the U.S. have fallen 15 percent, the housing market in several metropolitan markets that have to date shown resilience are now falling in line with the national downward trend, according to an analysis of home price trends in more than 375 U.S. markets based on the Fiserv Case-Shiller^(R) Home Price Index, owned and generated by Fiserv, Inc. (NASDAQ: FISV), a leading provider of information technology services to the financial industry and data from OFHEO, Office of Federal Housing Enterprise Oversight. The weakening housing picture is broad and deep: home price forecasts have been revised downward for nearly all the 375 metro markets evaluated by Fiserv. Among the markets where the outlook for housing prices has dimmed:

- The outlook for the suburban New York City markets of Southern Connecticut and Central New Jersey have been revised down, reflecting job losses on Wall Street and at hedge funds, as well as anticipated cuts in year-end bonus payments. Average house prices are forecast to decline 12 percent over the next year - a faster rate than the 7 percent decline experienced over the 12-month period that ended June 30, 2008. In the Edison and New Brunswick, N.J. metro area, which is home to many pharmaceutical companies, home prices are forecast to fall 19 percent over the next year.
- One-time bubble markets in Florida, California, Nevada and Arizona, which have already seen home values fall 20 to 40 percent over the past year, are showing no signs of moderation in declining prices. In the Merced, California area, for example, average home prices have declined 43 percent over the past 12 months, and are projected to fall another 22 percent by the middle of 2009. Similarly, housing prices in Tucson, Arizona are forecast to decline 26 percent over the next year, after falling nearly 13 percent over the past 12 months.
- Manufacturing centers, such as those in Ohio and Michigan, are seeing declining home values due to the rising number of foreclosures as job losses increase in the automotive and other manufacturing sectors. Housing prices in Ann Arbor and Lansing, Michigan are projected to

decline 14 percent over the next year, while markets in Ohio, such as Akron, Columbus and Dayton, are anticipated to see declines of nearly 8 percent.

- Metro areas in Texas had showed signs of relative strength, but falling energy prices and tightening credit markets have led to less optimistic home price forecasts for Laredo, Brownsville, Killeen and other markets.

The Fiserv Case-Shiller Home Price Indexes, which include data covering thousands of zip codes, counties, metro areas and state markets, are owned and generated by Fiserv. The quarterly home price trend information in this report applies Fiserv's Case-Shiller methodology to the company's proprietary data as well as to supplemental data from OFHEO. The historical home price trends highlighted in this release are for the 12-month period that ended June 30, 2008. Forecasts are for the 12 months ending on June 30, 2009.

Nationally, median home prices have fallen 15 percent over the past year to \$206,000, according to the National Association of Realtors. Over the next year, Fiserv forecasts that the average metro area will experience another 13 percent drop in home prices. The median monthly mortgage payment in the 2008 second-quarter stayed steady at 19 percent.

"The 2008 second-quarter Fiserv Case-Shiller home price index numbers were weaker than expected. In part, this was due to the credit market problems as fewer households were able to qualify for mortgages as lenders continue restricting lending standards," said David Stiff, economist, Fiserv. "In many collapsing bubble markets, there was also a flood of home foreclosure sales, which increased the downward pressure on prices."

"Bubble markets in states including California and Arizona continue to see falling home values while markets in historically strong markets in Texas and the Northeast are starting to see home values decline as well," added Stiff.

Reports from Moody's Economy.com show the U.S. economic recession to be longer and more severe following the seizing of credit markets in September and October.

Stiff says, though, there is at least some reason for optimism.

"Because home prices are falling so rapidly, housing affordability is improving quickly in over-priced markets. When the mortgage market does stabilize, there is the potential for a sudden rebound in housing," said Stiff. "But if the recession causes household incomes to drop, that rebound will be pushed out even further."

About Fiserv, Inc.

Fiserv, Inc. (NASDAQ: FISV), a Fortune 500 company, provides information management and electronic commerce systems and services to the financial industry. Leading services include transaction processing, outsourcing, electronic bill payment and presentment, investment management solutions, business process outsourcing (BPO), software and systems solutions. Headquartered in Brookfield, Wis., the company is the leading provider of account processing solutions for U.S. banks, credit unions and thrifts with more than 6,000 clients worldwide. InformationWeek magazine selected Fiserv as the top ranked company in the Banking and Financial Services category, and chose Fiserv No.4 overall on the 2008 InformationWeek 500. Fiserv was ranked the largest provider of information technology services to the financial services industry worldwide in the 2008, 2006, 2005 and 2004 FinTech 100 surveys. For more information, please visit www.fiserv.com.

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Source: Fiserv, Inc.