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Fiserv Case-Shiller Home Price Insights: Growing Confidence and Affordability Fuels Single Family Home Price Increases in Nearly Half of U.S. Metro Areas

Data shows broad evidence that housing markets are stabilizing

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

In the fourth quarter of 2009, U.S. home prices were trending up in 155 out of 384 metro areas, including markets in California, Ohio, Michigan and Washington, D.C. Despite the positive performance in these regional markets from recent lows, average U.S. home prices were down 2.5 percent from the year-ago quarter, which can be attributed to the continued high level of unemployment, rising interest rates and the large number of distressed properties that remain in markets such as Florida, Arizona and Nevada.

"Optimism that a sustainable economic recovery is underway is driving increases in home prices across many U.S. metro areas. More and more, consumers have confidence that buying a home doesn't mean catching a falling knife," said David Stiff, chief economist, Fiserv. "Very large price declines have also made housing much more affordable, drawing in both first-time homebuyers and investors."

Observations from the fourth quarter 2009 data include:

- California markets collapsed about one year before much of the rest of the U.S. Relative to bubble-era prices, these markets have seen the greatest improvement in housing affordability. Year-over-year (2009: Q4/2008: Q4), prices are up in 8 of 28 California metro areas and prices have increased from recent lows in 24 of 28 metro areas. The strongest rebounds were in coastal markets, including the Bay Area, Los Angeles, Orange County and San Diego, where there are decreasing levels of foreclosed homes. Markets in the interior have also experienced a price bounce, mainly due to strong investor demand.
- In Washington, D.C., home prices were up 5.2 percent year-over-year. Since the market bottom in early 2009, prices in this metro area have risen more than 9 percent. Washington boasts a relatively strong local economy with 6.8 percent unemployment compared to 9.9 percent for the U.S. The earlier rapid decline in prices also substantially improved affordability.

- Ohio and Michigan, two states hit hard by the recession and loss of manufacturing jobs, are seeing signs of stabilization. Housing is very affordable across metro areas in these states. There is less uncertainty about the future of the U.S. auto industry and jobs in auto and auto parts manufacturing have been increasing since December 2009.
- Other markets where investor purchases of foreclosed homes have dominated housing sales are also coming back into balance. This includes metro areas such as Minneapolis, Detroit and Memphis, Tenn., where recent sales have included more regular, non-distressed homes.

However, Stiff warns there will be renewed downward pressure on home prices. "The first-time homebuyer tax credit has expired, the Federal Reserve has stopped buying residential mortgage backed securities (MBS) and the projected number of foreclosures remains extremely high. As a result, markets with recent price increases may see small price declines before prices finally stabilize at the end of this year or early 2011."

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 2.5 percent over the 12-month period ending December 31, 2009. The Fiserv Case-Shiller Indexes forecast that average single-family home prices will fall another 3.1 percent over the next 12 months. Steep home price declines are expected to continue in markets that have been hurt most by the housing crisis. From the fourth quarter of 2009 through the fourth quarter of 2010, average home prices in Nevada, Arizona and Florida are projected to decline 9.2 percent, 9.5 percent and 7.7 percent, respectively.

At the end of 2009, the median U.S. home price was \$170,300. The median monthly mortgage payment in the 2009 fourth-quarter fell slightly to 14 percent of median family income, a decrease of 1 percent over the third 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 December 31, 2009. One-year forecasts are for the 12 months ending on December 31, 2010. The Case-Shiller home price forecasts are produced by Fiserv and Moody's Economy.com.

Detailed information on the Indexes can be found at the Fiserv Case-Shiller website at www.caseshiller.fiserv.com.

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

Metro Area	Population (2009)	Change in Home Prices (2006:Q4 to 2009:Q4)	Change in Home Prices (2008:Q4 to 2009:Q4)	Forecast Change in Home Prices (2009:Q4 to 2010:Q4)
United States	307,006,550	-27.0%	-2.5%	-3.1%
Austin, TX	1,705,080	10.2%	-1.7%	-1.5%
Baltimore, MD	2,690,890	-15.2%	-3.0%	-1.8%

Columbus, OH	1,801,850	-8.2%	-1.6%	-2.3%
Fort Worth, TX	2,121,230	3.8%	-1.1%	-1.5%
Indianapolis, IN	1,743,660	-0.6%	-0.6%	-0.6%
Jacksonville, FL	1,328,140	-30.5%	-9.3%	-5.2%
Kansas City, MO	2,067,590	-4.7%	-2.5%	-0.9%
Louisville, KY	1,258,580	1.2%	-1.1%	-0.5%
Milwaukee, WI	1,559,670	-8.3%	-2.8%	-2.0%
Nashville, TN	1,582,260	-4.0%	-0.7%	-2.4%
New Orleans, LA	1,189,980	-4.6%	-3.6%	-1.8%
Orlando, FL	2,082,420	-47.6%	-16.8%	-8.5%
Philadelphia, PA	4,012,570	-5.3%	-1.5%	-1.6%
Raleigh, NC	1,125,830	4.0%	-3.6%	-0.8%
Sacramento, CA	2,127,360	-44.5%	-3.3%	-6.2%
Salt Lake City, UT	1,130,290	-6.5%	-9.5%	-2.4%
San Antonio, TX	2,072,130	6.1%	-0.7%	-0.5%
San Jose, CA	1,839,700	-30.4%	4.1%	-8.2%
St. Louis, MO	2,852,910	-6.5%	1.3%	-1.1%
Tucson, AZ	1,020,200	-30.4%	-7.7%	-4.0%

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. Fiserv is ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry. For more information, visit www.fiserv.com.

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Source: Fiserv, Inc.