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## **Fiserv Case-Shiller Home Price Insights: U.S. Housing Prices Forecast to Decrease 11 Percent over the Next Year**

### **Most markets still experiencing price corrections, others see increase**

BROOKFIELD, Wis., Oct 29, 2009 (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 Case-Shiller<sup>(R)</sup> Home Price Index, which is owned and generated by Fiserv, and data from the Federal Housing Finance Agency (FHFA).

The U.S. housing market continued its price correction, with single-family home prices across the U.S. falling an average of 14 percent over the 12-month period ending June 30, 2009. The Fiserv Case-Shiller Home Price Index forecasts that average single-family home prices will fall another 11 percent over the next twelve months, with declines expected in about 90 percent of the more than 350 metro areas tracked by Fiserv. 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.

"Large supplies of foreclosed properties and extremely weak job markets will continue to put downward pressure on home prices," said David Stiff, chief economist, Fiserv. "Many temporary factors that were partly responsible for strong spring and summer real estate markets, including the first-time homebuyer tax credit and Federal Reserve actions to drive down mortgage interest rates, will no longer be bolstering demand. Consequently, home prices will resume falling again before they stabilize in 2010."

While falling home values in areas mentioned are expected to drag down the national average, housing prices have shown signs of life in other markets. U.S. single-family home prices increased by 1.4 percent in the second quarter of 2009 (on a seasonally adjusted basis), the first gain since early 2006.

Prices increased in many markets that earlier experienced dramatic price declines, including Washington, D.C., San Francisco, and Naples, Florida. Metro areas with high volumes of foreclosure activity, such as Memphis, Tenn. and Minneapolis, Minn., also had solid price gains as investors and homebuyers went bargain hunting.

"The second quarter bounce in home prices is good news, since it shows that prices have dropped enough to draw buyers back into many markets, many of these first-time homebuyers," said Stiff. "The second quarter increase in sales activity and prices indicate that confidence is returning to real estate markets, setting the stage for price stabilization and, eventually, a housing market recovery."

Nationally, home prices have fallen almost 15 percent over the past year, leaving the median price at \$174,000. The median monthly mortgage payment in the 2009 first-quarter remained steady at 14 percent of median family income.

### **Recent Fiserv Case-Shiller Home Price Index Highlights - Market Specific**

Observations from the data include:

- | One-time bubble markets in Florida, California and Arizona, which have already seen home values fall 40 percent to 60 percent since prices peaked in 2006, are showing no sign of moderation in declining prices. In Orlando, Fla., for example, average home prices declined just over 28 percent over the past year, and are projected to fall another 27 percent over the next year. In Tucson, Ariz., average home prices declined over 18 percent over the past year. Similarly, the San Jose, Calif. market saw a decline of just over 24 percent in home values over the past year, with a projected decline of another 18 percent over the next year.
- | Several markets in Texas, such as College Station, Brownsville and San Angelo, all saw increases of over 3 percent in home price values over the past year.
- | Over the past three years, many markets in New York State have seen home price increases, such as Binghamton,

where home values have increased nearly 18 percent. Similarly, Buffalo home prices have increased over 8 percent in the last three years.

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 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 June 30, 2009. One-year forecasts are for the 12 months ending on June 30, 2010. The Case-Shiller home price forecasts are produced by Fiserv and Moody's Economy.com.

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:

<b>Metro Area</b>	<b>Population (2006)</b>	<b>Change in Home Prices (2009:Q1 to 2009:Q2)</b>	<b>Change in Home Prices (2008:Q2 to 2009:Q2)</b>	<b>Forecast Change in Home Prices (2009:Q2 to 2010:Q2)</b>
United States	281,421,906	1.4%	-14.9%	-11.3%
Austin, TX	1,513,565	-1.3%	.1%	-1.8%
Baltimore, MD	2,658,405	-2.7%	-10.9%	-11.4%
Columbus, OH	1,725,570	.7%	-5.3%	1.2%
Fort Worth, TX	1,984,468	0.0%	1.6%	-.7%
Indianapolis, IN	1,666,032	-1.1%	-1.2%	-.9%
Jacksonville, FL	1,277,997	-3.9%	.2%	-.8%
Kansas City, MO	1,967,405	-.8%	-1.4%	-1.4%
Louisville, KY	1,222,216	-.5%	-.9%	-.7%
Milwaukee, WI	1,509,981	-1.7%	-7.9%	-2.8%
Nashville, TN	1,455,097	2.9%	-3.5%	-4.3%
New Orleans, LA	1,024,678	-.2%	-.9%	-2.4%
Orlando, FL	1,984,855	-5.8%	-28.4%	-27.0%
Philadelphia, PA	3,885,395	1.5%	-3.3%	-4.2%
Raleigh, NC	994,551	-1.4%	-1.3%	-1.2%
Sacramento, CA	2,067,117	.5%	-16.2%	-14.9%
Salt Lake City, UT	1,067,722	-3.8%	-7.2%	-8.9%
San Antonio, TX	1,942,217	-.3%	.7%	-1.3%
San Jose, CA	1,787,123	2.4%	-24.6%	-18.4%
St. Louis, MO	2,796,368	1.4%	-2.5%	-1.3%
Tucson, AZ	946,362	-.6%	-18.2%	-13.7%

#### 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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