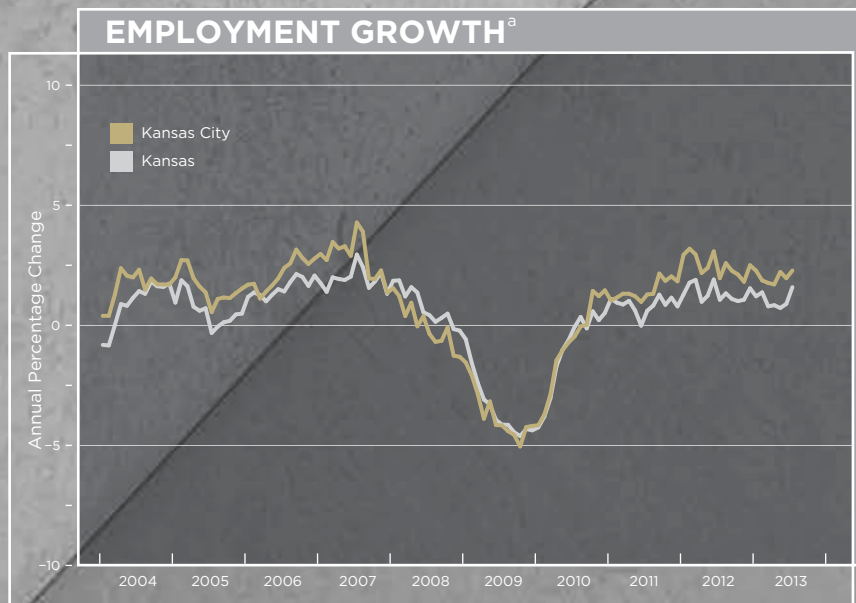


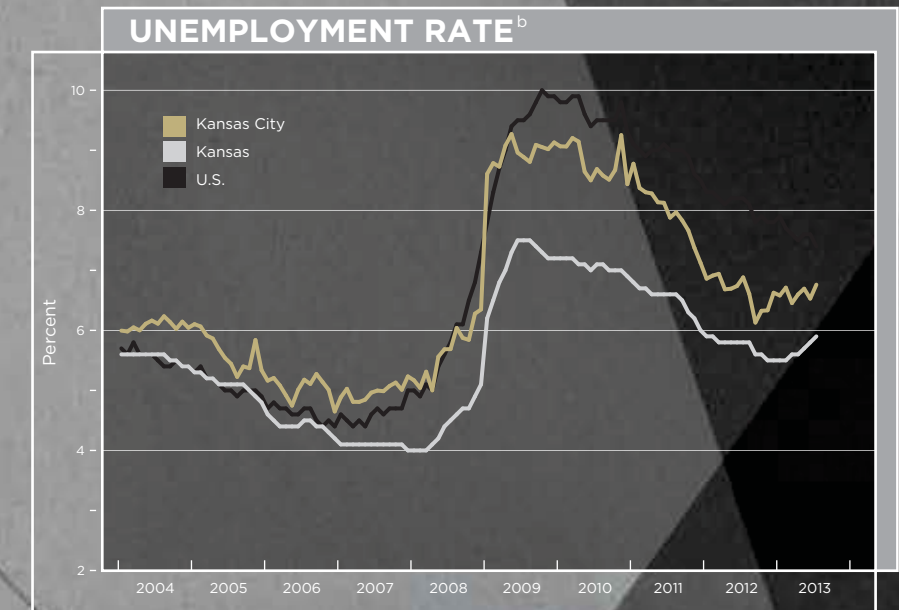
# ECONOMIC OVERVIEW

MORTGAGE RATES SHOULD REMAIN BELOW 5.25 PERCENT THROUGH THE END OF NEXT YEAR.

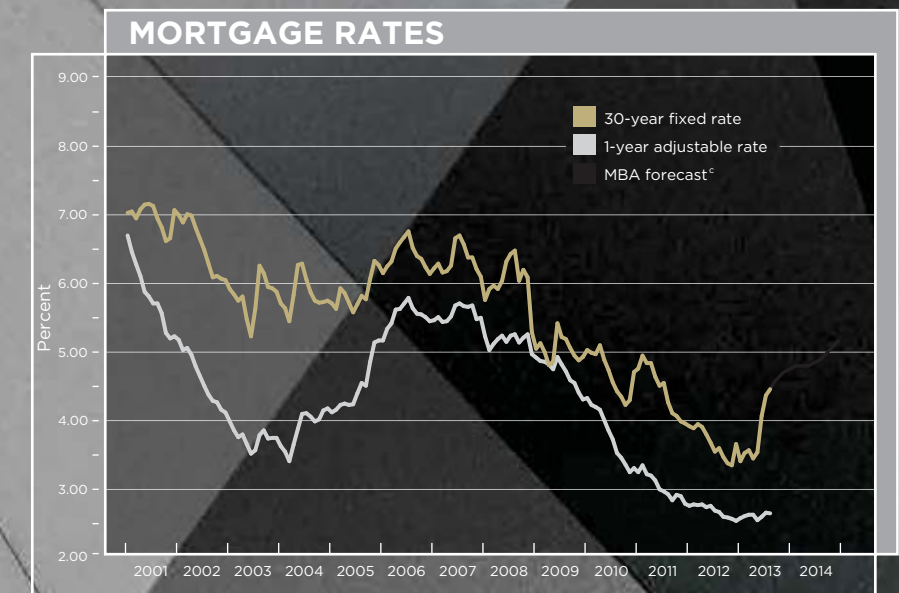
Employment in the Kansas City area has rebounded fairly well since the recovery began, and employment growth in the area has been positive for more than 3 years. In fact, total employment in the Kansas City area now is above where it was before the 2007-2009 recession. In contrast, employment in the U.S. as a whole is still more than 1.5 percent below its level at the end of the last expansion.



Despite this job growth, the area's unemployment rate remains stubbornly high, remaining above 6.5 percent. Clearly, the Kansas City economy still has room for improvement.



After hitting all-time lows late last year, mortgage rates rose sharply in June. Even if rates rise above 5 percent next year, however, they will still be remarkably low by any standard. As a result, rising rates shouldn't put too much of a damper on the housing market.



Sources:  
U.S. Bureau of Labor Statistics; Freddie Mac; Mortgage Bankers Association

Notes:  
a) Year-over-year percentage change in total non-farm employment  
b) Seasonally adjusted  
c) Mortgage Bankers Association August 2013 forecast of the 30-year conventional mortgage rate