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In mid-2008, the 27 million subprime and Alt-A mortgages were held, guaranteed or had been securitized by the following entities, and had the following unpaid principal amount:

Entity	No. of loans	UPA
Fannie Mae and Freddie Mac	12 million	\$1.8 trillion
FHFA and other Federal	5 million	.6
CRA and HUD	2.2 million	.3
Total Federal Govt	19.2 million	\$2.7 trillion
Wall Street PMBS	7.8 million	\$1.9 trillion
Total	27 million	\$4.6 trillion

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Fall 2005  
Summer 2006  
Winter 2006  
Spring 2007  
Fall 2007  
March 2008

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Creation  
of the  
bubble



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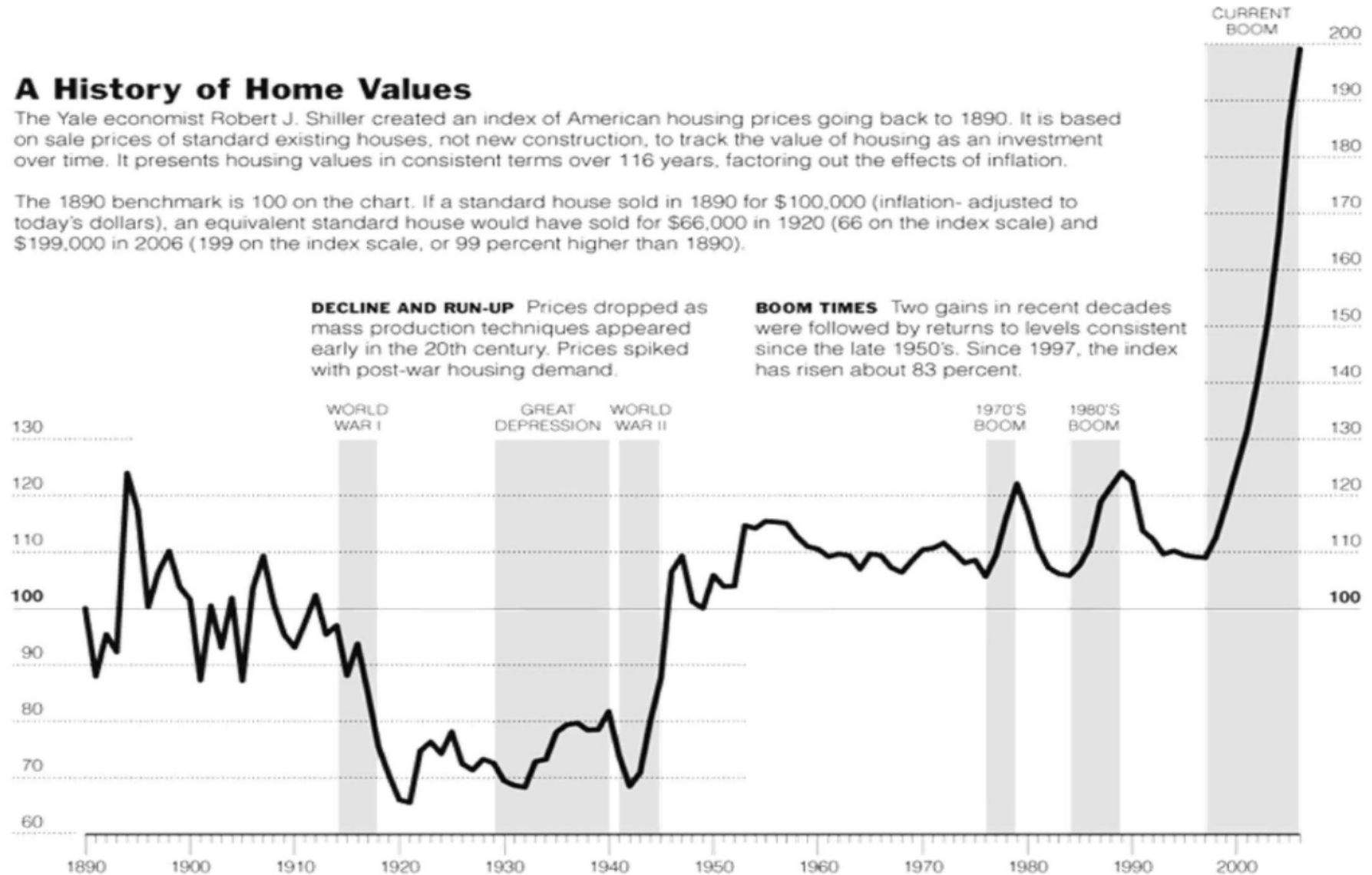
## A History of Home Values

The Yale economist Robert J. Shiller created an index of American housing prices going back to 1890. It is based on sale prices of standard existing houses, not new construction, to track the value of housing as an investment over time. It presents housing values in consistent terms over 116 years, factoring out the effects of inflation.

The 1890 benchmark is 100 on the chart. If a standard house sold in 1890 for \$100,000 (inflation-adjusted to today's dollars), an equivalent standard house would have sold for \$66,000 in 1920 (66 on the index scale) and \$199,000 in 2006 (199 on the index scale, or 99 percent higher than 1890).

**DECLINE AND RUN-UP** Prices dropped as mass production techniques appeared early in the 20th century. Prices spiked with post-war housing demand.

**BOOM TIMES** Two gains in recent decades were followed by returns to levels consistent since the late 1950's. Since 1997, the index has risen about 83 percent.



Source: "Irrational Exuberance," 2nd Edition, 2006, by Robert J. Shiller

Bill Marsh/The New York Times

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Crash



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## Stock Market :

All, the stock market in the united state have been decline as, we can see in the following figure. The Dow Jones industrial average (INDU) lost 777.68, surpassing the 684.81 loss on Sept. 17, 2001 - the first trading day after the September 11 attacks. However the 7% decline does not rank among the top 10 percentage declines.

- The Standard & Poor's 500 (SPX) index lost 8.8%, its seventh worst day ever on a percentage basis and the biggest one-day percentage drop since the crash of '87, when it lost 20.5%. The NASDAQ composite (COMP) fell 9.1%, its third worst day on a percentage basis and also its worst decline since the crash of '87.