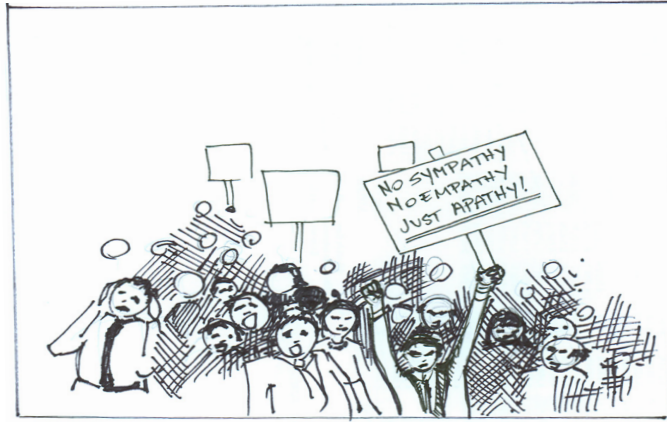


CORPORATION FOR INTEREST RATE MANAGEMENT

August 7, 2007



- Chairman: Well, that was a lot of fun. I figure we'd spend about half of our FOMC meeting outside today. I haven't had so much fun since the protests of the Omnibus Tax and Reconciliation Act of 1993.
- Member: That was a lot fun.
- Member: Yeah. I feel so sorry for those subprime investors. They're not getting the return that they deserve.
- Alice: Well, I actually sometimes think about the borrowers. I suspect there is bigger grief on the part of the borrowers than the lenders.
- Member: That can't be the case! By the way Alice, did you ever figure out the error on my last mortgage statement?
- Alice: What error? The computer sez...why do I gotta do this...the computer sez...
- Member: No, not the computer, my banker!
- Alice: You don't have a banker, and you don't have a bank. I called but they don't know who you are. I called the servicer; they service what the computer says. I called the trustee and they say they're only the trustee and so finally I read your doggone mortgage. You have an adjustable rate mortgage.
- Member: I do not!!!
- Alice: Oh yes you do...right there in sub-clause 2.V.j, iv...see, right there.
- Member: That can't be!!!
- Alice: Well you can pay it off as long as you pay the prepayment premium.
- Member: What prepayment premium?!!!
- Alice: I don't have time for this. Let's have our vote on Fed Policy.
- Alice: I'm sure you'll all vote to keep the Fed Funds rate the same. You're all a bunch of wimps. Right now there are no loans for nobody.
- Alice: Financial markets are volatile. Credit conditions are tight. Housing is in the dumpster. Start talking up the possibility of rate cuts, for that's in your future.