

**Revised Forecast for the Housing Financing Fund (HFF), 2010
(HFF bond issuance, lending and payments)**

The revised forecast for 2010 on HFF bond issuance for the purpose of financing new mortgages is ISK 42-50 billion which is an increase of ISK 8 billion from previous figures. The increase is due to the Fund's expected purchase of mortgage portfolios as announced at the OMX Nordic Exchange on March 5th, 2010.

HFF forecasts to issue ISK 25 – 33 billion in mortgages in 2010, approximately ISK 4 billion less than previously forecasted. Of that amount, it is estimated that mortgages for rental housing will be ISK 10 – 12 billion, about ISK 1 billion less than previous figures.

HFF Bond Auctions and Loans

Forecast 2010	1.Q	2.Q	3.Q	4.Q	Total 2010
HFF Bond Issuance	9 - 11	12 - 14	10 - 12	11 - 13	42 - 50
HFF's New Loans	5 - 7	6 - 8	7 - 9	7 - 9	25 - 33

Figures are in ISK billions.

Due to a slump in the financing and real estate markets, there is considerable uncertainty regarding forecasts on lending and bond issuance. Exact figures can, therefore, not be forecasted. As a result, some auction figures cannot be presented and may be transferred between quarters depending on market conditions.

HFF expects repayments on HFF bonds to creditors to range between ISK 65 - 73 billion in 2010 which is an approximate increase of ISK 4 billion from the previous forecast.

HFF's Repayments to Creditors

Forecast 2010	1.Q	2.Q	3.Q	4.Q	Total 2010
HFF Payments	15 - 17	20 - 22	14 - 16	16 - 18	65 - 73

Figures are in ISK billions

This forecast reflects present conditions in the mortgage and real estate markets. Should market conditions change, adjustments of the above forecast can be expected. HFF reviews its forecast on a quarterly basis and more often if necessary.