

ATTACHMENT 4

INFLATION FACTOR

MSI INFLATION FACTOR

YEAR	INFLATION FACTORS
2001	2.30%
2002	1.58%
2003	2.92%
2004	6.50%
2005	7.40%
2006	4.80%
2007	7.17%
2008	4.50%
2009**	1.90%
2010***	0%

Indicated Inflation Factor for Calendar Year 2011				
10/31/2010		10/31/2009		Indicated Inflation Factor
2664.1	-	2550.2	x 100	= 4.50%
		2550.2		

The “Indicated Inflation Factor for Calendar Year 2011” was calculated using the most recent twelve month cost index data available from the Marshall and Swift/Boeckh Index, the cost index selected by the MSI Board for inflation factor calculations. If more recent data is available prior to December 31, it will be used to recalculate the inflation factor. The new factor will become effective in the computer system that generates payment notices at midnight on December 31.

NOTES:

*Year 2001 through 2008 indexes based on Marshall & Swift/Boeckh National Residential Building Costs, discontinued in 2008

** Year 2009 through 2011 indexes based on Marshall & Swift/Boeckh Eastern District Wood Frame Buildings Costs

*** The beginning and ending year dates used in the 2010 demonstration calculation were corrected, and an error to an index reported as 2652.8, which was actually the July 31, 2009 index, was corrected to the actual October 2009 index of 2550.2. However, the 2009 index remained under the 2008 index. As a result, the Indicated Inflation Factor for 2010 remained at 0%.