



Linda's Mortgage Update

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**Week of
January 18,
2009**

**Mortgage
Market
Commentary**

Mortgage rates held fairly steady last week as economic news continued to highlight a weakened economy. Retail sales data and Industrial Production numbers were lower than expected, but the market seemed unfazed, as poor economic news is becoming less and less of a surprise. Inflation numbers continue to show declining inflationary pressures, especially with anything related to oil. While headline inflation numbers have slipped, core inflationary readings have held steady recently, calming fears that a deflationary environment may develop.

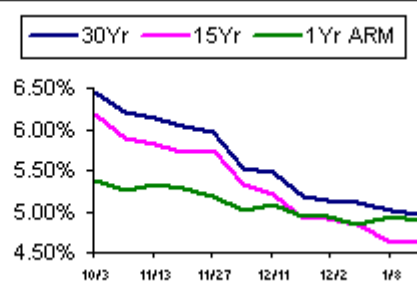
This week is a very light week in terms of broad economic news. However, some housing data is due. While some experts believe we may be nearing the bottom, there is little expectation of good news from the industry. Most of the attention this week will be on the Presidential Inauguration. If the general tenor stays upbeat, we might see stocks gaining some strength. This could pull some money out of bonds, which could put some very mild upward pressure on mortgage rates.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

| | January 15 | 1/8/09 |
|---------------|------------|--------|
| 30 Year Fixed | 4.96% ▼ | 5.01% |
| 15 Year Fixed | 4.65% ▲ | 4.62% |
| One Year ARM | 4.89% ▼ | 4.95% |

For more information visit www.FreddieMac.com



Rates & Indexes

| | |
|--------------------------|--------|
| 1 Yr T-Bill | 0.440% |
| 12 Mn Libor | 1.890% |
| 6 Mo Libor | 1.589% |
| 11 th D. COFI | 3.155% |
| Prime | 3.250% |
| Fed Fund | 0.250% |

Economic Snapshot

Gross Domestic Product

23-Dec ▼ %pt Chg
-0.5% 3.3
Economy Slowing

Consumer Confidence

25-Nov ▼ pt Chg
38.0 6.7
Confidence Plunging

Housing Starts

16-Dec ▼ % Chg
625K 18.9%
Slowing Growth

Dow Jones

8,281.22

NASDAQ

1,529.33

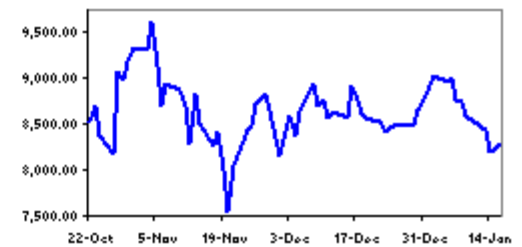
NYSE

5,387.50

S&P 500

850.12

Dow Jones



Unemployment Rate

5-Dec ▲ %pt Chg
7.2% 0.5
Unemployment Growing

US Retail Sales

15-Jan ▼ % Chg
343.2b 2.7%
Slowing Growth

Existing Home Sales

23-Dec ▼ % Chg
4.43m 8.6%
Slowing Growth

Leading Indicators (LEI)

18-Dec ▼ % Chg
99.0 0.4
Slowing Growth

Manufacturing Activity

1-Dec ▼ pt Chg
32.4 3.8
Manufacturing Contracting

New Home Sales

23-Dec ▼ % Chg
407K 2.9%
Slowing Growth

Worth Remembering



You've got to get up every morning with determination if you're going to go to bed with satisfaction.

George Horace Lorimer

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