



Linda's Mortgage Update

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**Week of
January 25,
2009**

**Mortgage
Market
Commentary**

Despite the enthusiasm generated by the inauguration, financial markets were a bit downbeat last week, as more trouble came to light in the already battered financial and banking industry. However, mortgage rates moved upward as bonds showed some signs of strength during the week.

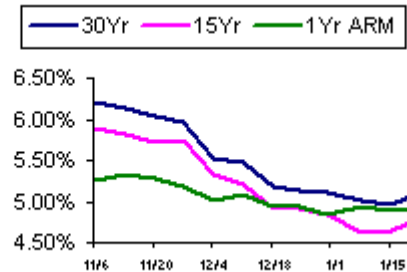
This week is a very busy week for financial markets with a slew of economic data due, along with the first 2009 Fed meeting. While the Fed is expected to maintain its interest rate targets at the current low range, there is anticipation of news from the Fed meeting. Analysts expect some announcement regarding the Fed's asset-backed support facility, which will further broaden the Fed's ability to lend money to beleaguered institutions. The more hope the market sees in this move helping the economy, the more likely we are to see mortgage rates move upward. Consumer Confidence and GDP numbers are also due this week. If GDP falls much below 5.5 % and Confidence drops, we could see more rates moving downward as economic struggles weigh heavily on the market.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	January 22	1/15/09
30 Year Fixed	5.12% ▲	4.96%
15 Year Fixed	4.80% ▲	4.65%
One Year ARM	4.92% ▲	4.89%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.430%
12 Mn Libor	1.915%
6 Mo Libor	1.628%
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
<i>Economy Slowing</i>		

Consumer Confidence

25-Nov	▼	pt Chg
38.0		6.7
<i>Confidence Plunging</i>		

Housing Starts

22-Jan	▼	% Chg
550K		15.5%
<i>Slowing Growth</i>		

Dow Jones

8,077.56

NASDAQ

1,477.29

NYSE

5,195.55

S&P 500

831.95

Dow Jones



Unemployment Rate

5-Dec	▲	%pt Chg
7.2%		0.5
<i>Unemployment Growing</i>		

US Retail Sales

15-Jan	▼	% Chg
343.2b		2.7%
<i>Slowing Growth</i>		

Existing Home Sales

23-Dec	▼	% Chg
4.43m		8.6%
<i>Slowing Growth</i>		

Leading Indicators (LEI)

18-Dec	▼	% Chg
99.0		0.4
<i>Slowing Growth</i>		

Manufacturing Activity

1-Dec	▼	pt Chg
32.4		3.8
<i>Manufacturing Contracting</i>		

New Home Sales

23-Dec	▼	% Chg
407K		2.9%
<i>Slowing Growth</i>		

Worth Remembering



Life is like a game of cards. The hand that is dealt you is determinism; the way you play it is free will.

Jawaharlal Nehru

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