



Linda's Mortgage Update

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**Week of
February 8,
2009**

**Mortgage
Market
Commentary**

Hints of economic promise seemed to boost mortgage rates higher last week in spite of the dismal employment numbers. The unemployment rate rose to 7.6% and the economy lost almost six-hundred thousand jobs last month. However, there were some relatively bright spots in last week's economic data. While neither the manufacturing nor services indices from the Institute of Supply Management (ISM) are indicating an "expanding" environment, both indices moved upward despite expectations of both dropping again. While the debate continues on the major stimulus package before Congress, the prospect of an economic boost may have also nudged rates upward.

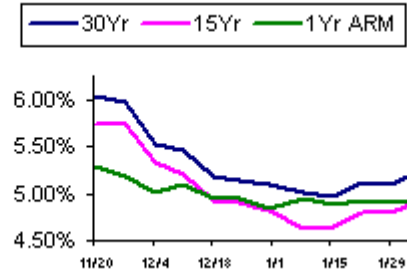
Political news could be a big driver of rates again this week. The closer the package moves toward the President's desk, the more likely we'll see mortgage rates moving slowly upward. However, retail sales numbers are also due this week. If they drop significantly more than expectations, as some analysts are predicting, we could see mortgage rates sliding back down as the week ends.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	February 5		1/29/09
30 Year Fixed	5.25%	▲	5.10%
15 Year Fixed	4.92%	▲	4.80%
One Year ARM	4.92%	▲	4.90%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.490%
12 Mn Libor	2.036%
6 Mo Libor	1.748%
11 th D. COFI	2.757%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

23-Dec ▼ %pt Chg
-3.8% 3.3
Economy Shrinking

Consumer Confidence

25-Nov ▼ pt Chg
37.7 0.9
Confidence Plunging

Housing Starts

22-Jan ▼ % Chg
550K 15.5%
Slowing Growth

Dow Jones

8,280.59

NASDAQ

1,591.71

NYSE

5,475.28

S&P 500

868.60

Dow Jones



Unemployment Rate

5-Dec ▲ %pt Chg
7.6% 0.4
Unemployment Growing

US Retail Sales

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

Existing Home Sales

26-Jan ▲ % Chg
4.74m 6.5%
Slowing Growth

Leading Indicators (LEI)

18-Dec ▲ % Chg
99.5 0.3
Slowing Growth

Manufacturing Activity

1-Dec ▲ pt Chg
35.6 2.7
Manufacturing Contracting

New Home Sales

29-Jan ▼ % Chg
331K 14.7%
Slowing Growth

Worth Remembering



In order to do what really matters to you, you have to, first of all, know what really matters to you.

Edward Hallowell

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