



Linda's Mortgage Update

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**Week of
February 15,
2009**

**Mortgage
Market
Commentary**

Mortgage rates eased back downward a bit last week, even in the face of some surprisingly upbeat economic news. Retail sales, which were expected to drop another 0.8%, jumped up 1.0% with increases in nearly every category. Weekly jobless claims also dipped last week.

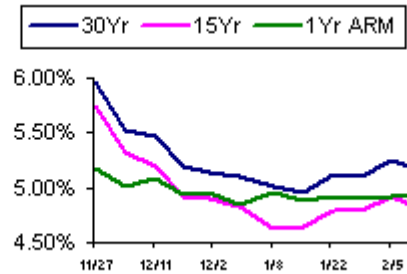
This week has the potential to be a huge week for the housing industry. In addition to the stimulus package to be signed on Tuesday in Denver, the President is expected to make a major announcement regarding the housing industry on Wednesday in Phoenix. There is much speculation on what the announcement will include. If the plan announced has specific elements designed to significantly stem foreclosures and drive mortgage rates down, then it is almost certain rates will go down. However, if details are lacking, similar to the Treasury's recent announcement, then rates could start climbing out of fear that the foreclosure situation will become significantly worse before it gets better. In addition to influential politics, we're also facing a week of significant economic news.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	February 12		2/5/09
30 Year Fixed	5.16%	▼	5.25%
15 Year Fixed	4.81%	▼	4.92%
One Year ARM	4.94%	▲	4.92%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.540%
12 Mn Libor	2.034%
6 Mo Libor	1.735%
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
<i>Economy Shrinking</i>		

Consumer Confidence

25-Nov	▼	pt Chg
37.7		0.9
<i>Confidence Plunging</i>		

Housing Starts

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

Dow Jones

7,850.41

NASDAQ

1,534.36

NYSE

5,206.76

S&P 500

826.84

Dow Jones



Unemployment Rate

5-Dec	▲	%pt Chg
7.6%		0.4
<i>Unemployment Growing</i>		

US Retail Sales

12-Feb	▲	% Chg
344.6b		1.0%
<i>Slowing Growth</i>		

Existing Home Sales

26-Jan	▲	% Chg
4.74m		6.5%
<i>Slowing Growth</i>		

Leading Indicators (LEI)

18-Dec	▲	% Chg
99.5		0.3
<i>Slowing Growth</i>		

Manufacturing Activity

1-Dec	▲	pt Chg
35.6		2.7
<i>Manufacturing Contracting</i>		

New Home Sales

29-Jan	▼	% Chg
331K		14.7%
<i>Slowing Growth</i>		

Worth Remembering



Concentrate all your thoughts upon the work at hand. The sun's rays do not burn until brought to a focus.

Alexander Graham Bell

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