



Linda's Mortgage Update

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**Week of
March 15,
2009**

**Mortgage
Market
Commentary**

Mortgage rates improved slightly last week, even as stock markets experienced a moderate bounce. While economic news continues to highlight subpar economic activity, a few more signs of hope appeared last week. Retail sales slipped by 0.1%, which was less than the 0.4% expected. More encouraging was that "core" retail sales, which excludes auto-related items, rose for the second month in a row. This type of news is leading some economists, including Fed Chair Bernanke, to believe that we could be near the bottom, with a chance of economic recovery starting in 2010.

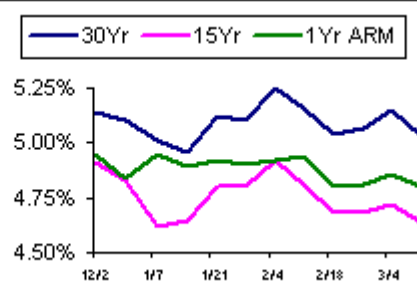
The Fed meets again this week and is unlikely to change economic policy. However, if the Fed announces that its programs are working as planned, and it announces that the programs will continue until economic recovery is fully realized, we could see some downward pressure on rates, especially if investors, even just a few, begin to move back into the secondary market. Of course, if the rally in stocks accelerates, rates might be forced upward as money moves out of the bond market.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	March 12		3/5/09
30 Year Fixed	5.03%	▼	5.15%
15 Year Fixed	4.64%	▼	4.72%
One Year ARM	4.80%	▼	4.86%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.680%
12 Mn Libor	2.227%
6 Mo Libor	1.902%
11 th D. COFI	2.455%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

27-Feb	▼	%pt Chg
6.2		5.7
<i>Economy Shrinking</i>		

Consumer Confidence

24-Feb	▼	pt Chg
25.0		12.4
<i>Confidence Plunging</i>		

Housing Starts

18-Feb	▼	% Chg
466K		16.8%
<i>Slowing Growth</i>		

Dow Jones

7,223.98

NASDAQ

1,431.50

NYSE

4,721.00

S&P 500

756.55

Dow Jones



Unemployment Rate

6-Mar	▲	%pt Chg
8.1%		0.5
<i>Unemployment Growing</i>		

US Retail Sales

12-Mar	▼	% Chg
346.8b		0.1%
<i>Slowing Growth</i>		

Existing Home Sales

25-Feb	▼	% Chg
4.49m		5.3%
<i>Slowing Growth</i>		

Leading Indicators (LEI)

19-Feb	▲	% Chg
99.5		0.4
<i>Slowing Growth</i>		

Manufacturing Activity

2-Mar	▲	pt Chg
35.8		0.2
<i>Manufacturing Contracting</i>		

New Home Sales

26-Feb	▼	% Chg
309K		10.2%
<i>Slowing Growth</i>		

Worth Remembering



You are today where your thoughts have brought you; you will be tomorrow where your thoughts take you.

James Allen

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