



Linda's Mortgage Update

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**Week of
March 22,
2009**

**Mortgage
Market
Commentary**

Last week was another huge week for the mortgage industry with the Federal Reserve announcing a massive extension to its ongoing program of purchasing mortgage-backed debt and securities. The original \$600 billion program was announced in November, and the Fed has been spending approximately \$4 billion per day buying mortgage-backed securities. Assuming the Fed continues to buy at this rate, the additional \$750 billion will enable the Fed to purchase nearly every conforming mortgage originated this year. Along with the other programs announced, the Fed has made it clear to the market that it intends to keep interest rates contained in an effort to help bolster the economy.

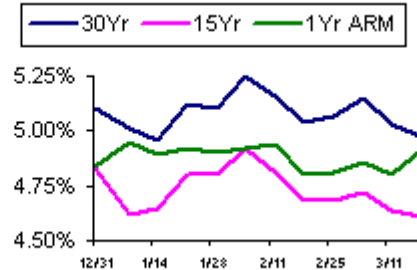
While all of the recent government intervention has served to keep mortgage rates low, the weak economy and subdued inflationary pressures have also put downward pressure on rates. This week may hold more of the same, with expectations of more weak data from the housing market and a small adjustment downward in GDP. However, after last week, rates will likely not fall much at all.

Mortgage Rates

**Freddie Mac's
Primary Mortgage Market Survey**

	March 19		3/12/09
30 Year Fixed	4.98%	▼	5.03%
15 Year Fixed	4.61%	▼	4.64%
One Year ARM	4.91%	▲	4.80%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.700%
12 Mn Libor	2.014%
6 Mo Libor	1.751%
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

7,278.38

NASDAQ

1,457.27

NYSE

4,832.13

S&P 500

768.54

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-Mar	▼	% Chg
98.5		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



When I hear someone sigh that "life is hard," I am always tempted to ask, "Compared to what?"

Sydney Harris

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