



Linda's Mortgage Update

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**Week of
May 31,
2009**

**Mortgage
Market
Commentary**

Despite significant ongoing federal government intervention into private markets, mortgage rates jumped last week. While there were many potential reasons, there was not any one huge item that drove rates upward. Consumer Confidence numbers did spike, but GDP was not revised upward as much as expected. Whatever the cause, the jump serves as a good reminder that rates can move, and move quickly, at any time. Under current conditions, upward jumps are certainly more likely.

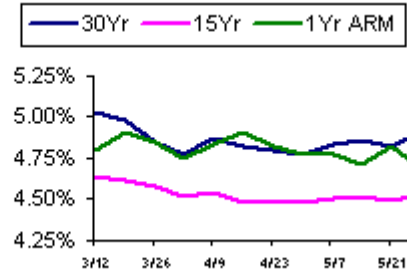
This could be another week of mortgage rates moving up and down. The ISM indices are due this week and are expected to show further slowing in the rate of economic deterioration. If both come in higher than expected, mortgage rates are very likely to move further upward. However, the week ends with the all-important monthly employment data. If unemployment tops 9.0%, as expected, and another half million jobs or more were lost last month, it should serve as a reminder that this recession is not over yet. This news should help push mortgage rates down as the week closes.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	May 28		5/21/09
30 Year Fixed	4.91%	▲	4.82%
15 Year Fixed	4.53%	▲	4.50%
One Year ARM	4.69%	▼	4.82%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.470%
12 Mn Libor	1.600%
6 Mo Libor	1.240%
11 th D. COFI	1.627%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

29-May ▲ %pt Chg
-5.7% 0.6
Economy Shrinking

Consumer Confidence

26-May ▲ pt Chg
54.9 14.1
Confidence Improving

Housing Starts

19-May ▼ % Chg
458K 12.8%
Slowing Growth

Dow Jones

8,500.33

NASDAQ

1,774.33

NYSE

6,004.07

S&P 500

919.14

Dow Jones



Unemployment Rate

8-May ▲ %pt Chg
8.9% 0.4
Unemployment Growing

US Retail Sales

14-Apr ▼ % Chg
337.7b 0.4%
Slowing Growth

Existing Home Sales

27-May ▲ % Chg
4.68m 2.9%
Slowing Growth

Leading Indicators (LEI)

21-May ▲ % Chg
99.0 1.0
Slowing Growth

Manufacturing Activity

1-May ▲ pt Chg
40.1 3.8
Manufacturing Contracting

New Home Sales

28-May ▲ % Chg
352K 0.3%
Slowing Growth

Worth Remembering



The important thing is this: to be able at any moment to sacrifice what we are for what we could become.

Charles Du Bos

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