



Linda's Mortgage Update

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**Week of
June 21,
2009**

**Mortgage
Market
Commentary**

Mortgage rates eased back last week after three weeks of climbing upward. With most of the mortgage-related government programs in place, and no rumors of new program in the near term, market forces are returning to influence mortgage rates to a greater extent than they have in the last year. Last week's dip in mortgage rates appears to be partially in response to the lack of any increase in near-term inflationary pressures. Additionally, with significant growth in US debt, there has been some concern that rates will have to increase to entice the few investors in the mortgage industry. However, each of the recent Treasury auctions has experienced reasonable demand.

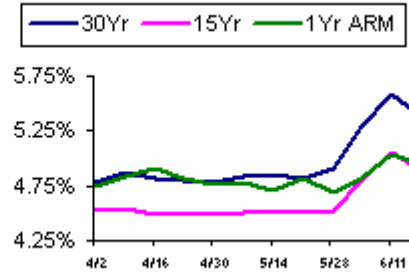
The Federal Reserve meets again this week with most analysts predicting no change to the Fed's interest rates. The Fed will need to walk a fine line with its policy statement. If it words the statement such that it reassures markets that the economy is struggling, but will recover fairly soon, we should see rates hold steady. However, if the Fed appears very optimistic, rates may climb again.

Mortgage Rates

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

	<u>June 18</u>		<u>6/11/09</u>
30 Year Fixed	5.38%	▼	5.59%
15 Year Fixed	4.89%	▼	5.06%
One Year ARM	4.95%	▼	5.04%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.560%
12 Mn Libor	1.740%
6 Mo Libor	1.183%
11 th D. COFI	1.380%
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

16-Jun ▲ % Chg
532K 17.2%
Slowing Growth

Dow Jones 8,539.73 **NASDAQ** 1,827.47
NYSE 5,934.24 **S&P 500** 921.23



Unemployment Rate

5-Jun ▲ %pt Chg
9.4% 0.5
Unemployment Growing

US Retail Sales

11-Jun ▲ % Chg
340.0b 0.5%
Slowing Growth

Existing Home Sales

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

Leading Indicators (LEI)

18-Jun ▲ % Chg
100.2 1.2
Slowing Growth

Manufacturing Activity

1-Jun ▲ pt Chg
42.8 2.7
Manufacturing Contracting

New Home Sales

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

Worth Remembering



Wisdom is perishable.
Unlike information or
knowledge, it cannot be
stored in a computer or
recorded in a book.

Sid Taylor

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