



Linda's Mortgage Update

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**Week of
July 19,
2009**

**Mortgage
Market
Commentary**

Mortgage rates pushed downward somewhat last week as the market seemed to come to grips with the reality that this recession is far from over. Fortunately, most analysts believe we are nearing the end. The Federal Reserve also released the minutes from its last meeting. The minutes were quite revealing, especially regarding the discussion about the government's various programs designed to help bring stability to financial markets. There was a sense that the federal government is probably at the maximum level of intervention without causing significant harm, including the potential of driving all long-term interest rates up. This effectively ended the few rumors remaining regard more programs to try to drive 30-year mortgage rates to 4.5%.

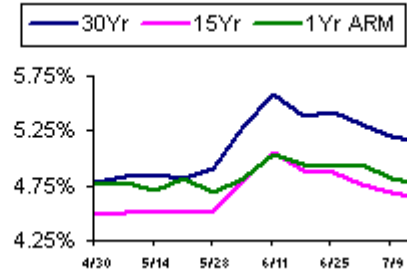
This week is a bit light on economic data, but Fed Chair Bernanke speaks to committees in both houses of Congress. If he expresses moderate optimism for the economy, and the flood of corporate earnings due this week show resurging profits, mortgage rates are likely to trend upward.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	July 16		7/9/09
30 Year Fixed	5.14%	▼	5.20%
15 Year Fixed	4.63%	▼	4.69%
One Year ARM	4.76%	▼	4.82%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.460%
12 Mn Libor	1.491%
6 Mo Libor	0.971%
11 th D. COFI	1.832%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

29-May ▲ %pt Chg
-5.5% 0.8
Economy Shrinking

Consumer Confidence

30-Jun ▼ pt Chg
49.3 5.5
Confidence Slipping

Housing Starts

17-Jul ▲ % Chg
582K 3.6%
Slowing Growth

Dow Jones

8,743.94

NASDAQ

1,886.61

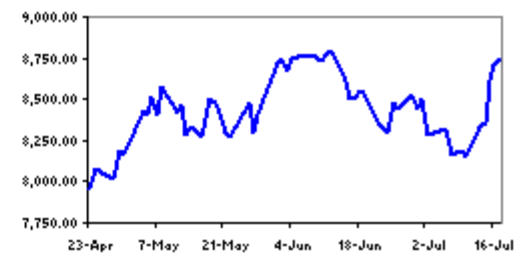
NYSE

6,038.11

S&P 500

940.38

Dow Jones



Unemployment Rate

2-Jul ▲ %pt Chg
9.5% 0.1
Unemployment Growing

US Retail Sales

14-Jul ▲ % Chg
342.1b 0.6%
Slowing Growth

Existing Home Sales

23-Jun ▲ % Chg
4.77m 2.4%
Slowing Growth

Leading Indicators (LEI)

18-Jun ▲ % Chg
100.2 1.2
Slowing Growth

Manufacturing Activity

1-Jul ▲ pt Chg
44.8 2.0
Manufacturing Contracting

New Home Sales

24-Jun ▼ % Chg
342K 0.6%
Slowing Growth

Worth Remembering



If you want to succeed you should strike out on new paths rather than travel the worn paths of accepted success.

John D. Rockefeller

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