



Linda's Mortgage Update

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**Week of
July 26,
2009**

**Mortgage
Market
Commentary**

Mortgage rates ticked slightly upward last week with the Fed Chair providing some comfort to nervous markets. Ben Bernanke was busy last week with testimony in both houses of Congress and an op-ed piece published in the Wall Street Journal. According to the Fed Chair's assessment, the Fed needs to stay focused on stimulating the economy and exiting this recession. As importantly, Bernanke sought to reassure both houses of Congress and the public that the Fed has the tools at its disposal to bring rates higher and reduce the flood of money the Fed has introduced to the market. He believes all of this can be accomplished with limited long-term inflationary consequences.

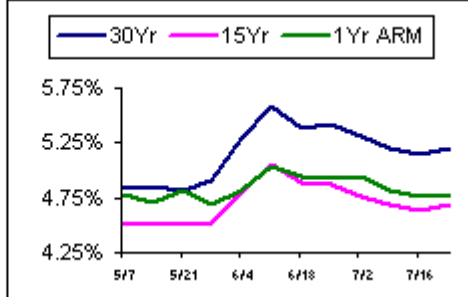
Mortgage rates start this week with some upward pressure that could stretch into coming weeks. The Fed's Beige Book, which combines and synthesizes regional reports, is due this week, along with the first reading of the 2nd quarter's GDP. If these show a continued moderation in the severity of this recession, mortgage rates will likely move upward, albeit at a relatively slow pace.

Mortgage Rates

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

	<u>July 23</u>		<u>7/16/09</u>
30 Year Fixed	5.20%	▲	5.14%
15 Year Fixed	4.68%	▲	4.63%
One Year ARM	4.77%	▲	4.76%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.480%
12 Mn Libor	1.489%
6 Mo Libor	0.951%
11 th D. COFI	1.832%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

25-Jul ▲ %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

9,093.24

NASDAQ

1,965.96

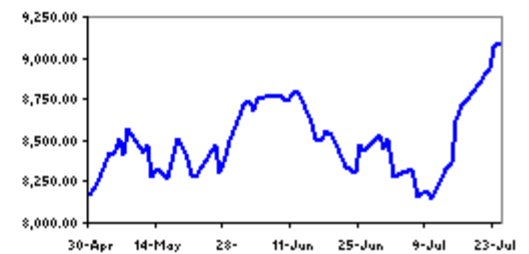
NYSE

6,337.46

S&P 500

979.26

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-Jul ▲ % Chg
4.89m 3.6%
Slowing Growth

Leading Indicators (LEI)

20-Jul ▲ % Chg
100.9 0.7
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



We have to fight them daily, like fleas, those many small worries about the morrow, for they sap our energies.

Etty Hillesum

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