



Linda's Mortgage Update

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**Week of
August 16,
2009**

**Mortgage
Market
Commentary**

Mortgage rates continue to remain fairly level as we head toward the end of the month. This summer started with fears of a depression and is ending with hopes that a recovery will begin before the end of the year. Last week, the Fed indicated it planned to keep its rates at this historically low level, even as it noted signs of the economy leveling out. More importantly, the Fed did state that it will begin slowing purchases of treasuries, however, it left itself time to slow the purchases and then ramp purchases back up should interest rates climb too quickly. The Fed did not provide any additional insight into how it would slow down its purchases of mortgage-backed securities, so it is likely that the Fed will continue to provide support for low mortgage rates for the foreseeable future.

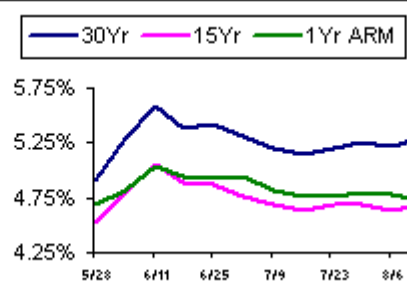
This week has a few items of note, but it is likely that rates will wrap up the last few weeks of summer without any dramatic moves either way. We are likely to hear news that the economy is continuing to improve, but that consumers will likely struggle until the labor market improves.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	August 13		8/6/09
30 Year Fixed	5.29%	▲	5.22%
15 Year Fixed	4.68%	▲	4.63%
One Year ARM	4.72%	▼	4.78%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.490%
12 Mn Libor	1.390%
6 Mo Libor	0.832%
11 th D. COFI	1.599%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

31-Jul ▲ %pt Chg
-1.0% 4.5
Economy Shrinking

Consumer Confidence

28-Jul ▼ pt Chg
46.6 2.7
Confidence Slipping

Housing Starts

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

Dow Jones

9,321.40

NASDAQ

1,985.52

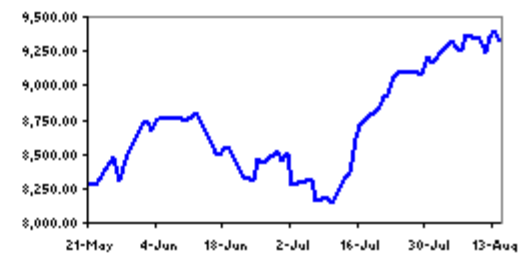
NYSE

6,537.82

S&P 500

1,004.09

Dow Jones



Unemployment Rate

7-Aug ▼ %pt Chg
9.4% 0.1
Unemployment Stabilizing

US Retail Sales

13-Aug ▼ % Chg
342.3b 0.1%
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

3-Aug ▲ pt Chg
48.9 4.1
Manufacturing Contracting

New Home Sales

27-Jul ▲ % Chg
384K 11.0%
Slowing Growth

Worth Remembering



The measure of a man's real character is what he would do if he knew he would never be found out.

Thomas B. Macaulay

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