



# Linda's Mortgage Update

*The fastest, simplest, most convenient way home!*

**Week of  
August 23,  
2009**

**Mortgage  
Market  
Commentary**

With the Fed's recent policy announcement, and the comments of various Fed officials over the last two weeks, many believe that the Fed will support low mortgage rates at least until we see economic growth return in earnest. This, combined with more news last week that inflation is not a near-term issue, helped mortgage rates ease back downward. Even with additional signs that the economy is coming back to life, including another increase the Leading Indicators, rates still moved downward.

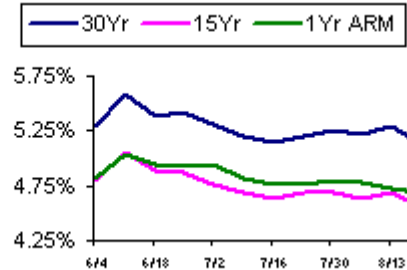
Short of very unexpected economic news, mortgage rates do not have far to move downward. As has been the case for some time, the potential for a spike upward is significantly higher than the potential for a large drop. This week holds two pieces of economic data that could move rates. Consumer Confidence is expected to recover some, but 2nd quarter GDP is expected to be revised to -1.5%. If we see Confidence rise significantly and GDP is revised upward, we could be watching mortgage rates climb as we move through the week. Otherwise, rates are likely to stay relatively flat.

## Mortgage Rates

### Freddie Mac's Primary Mortgage Market Survey

	August 20		8/13/09
30 Year Fixed	5.12%	▼	5.29%
15 Year Fixed	4.56%	▼	4.68%
One Year ARM	4.69%	▼	4.72%

For more information visit [www.FreddieMac.com](http://www.FreddieMac.com)



### Rates & Indexes

1 Yr T-Bill	0.470%
12 Mn Libor	1.349%
6 Mo Libor	0.796%
11 <sup>th</sup> 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

18-Aug ▼ % Chg  
581K 1.0%  
*Slowing Growth*

### Dow Jones

9,505.96

### NASDAQ

2,020.90

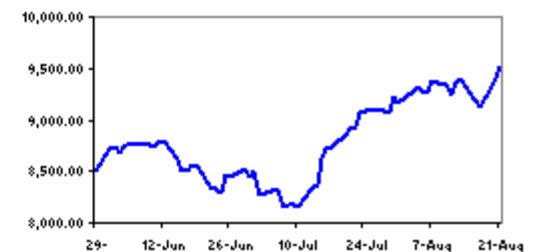
### NYSE

6,676.26

### S&P 500

1,026.13

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

21-Aug ▲ % Chg  
5.24m 7.2%  
*Sales Stabilizing*

### Leading Indicators (LEI)

20-Aug ▲ % Chg  
101.6 0.6  
*Economy Stabilizing*

### 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



Men are born with two eyes, but only one tongue, in order that they should see twice as much as they say.

Charles Caleb Colton

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