



Linda's Mortgage Update

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**Week of
Oct. 18,
2009**

**Mortgage
Market
Commentary**

Last week, money moved out of bond markets and into stock and commodity markets as economic data continued to paint a picture of economic recovery. While the headline Retail Sales number dipped by 1.5%, much of the decline was attributed to the end of the government's "Cash for Clunkers" program. Excluding auto issues, retail sales actually increased 0.4% last month. Industrial Production, the measure of output for all of the nation's factories, mines, and utilities, also moved upward. Recently, this type of news and movement of money would not have effect mortgage rates much at all, as government programs helped hold rates in check. With many of these programs expiring soon, it appears rates may be becoming more sensitive to economic and technical factors.

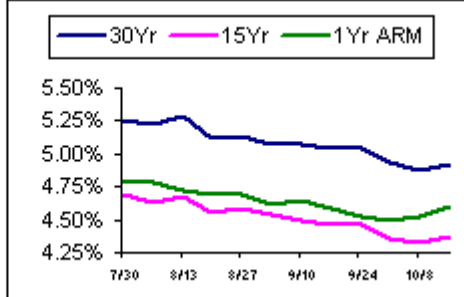
After last week's run up in rates, we may see some downward movement as many housing numbers are due this week. This data might remind the market of the continued weakness in the housing industry, and with consumers overall. However, other positive news could nudge rates upward a bit.

Mortgage Rates

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

	October 15		10/8/09
30 Year Fixed	4.92%	▲	4.87%
15 Year Fixed	4.37%	▲	4.33%
One Year ARM	4.60%	▲	4.53%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.360%
12 Mn Libor	1.247%
6 Mo Libor	0.591%
11 th D. COFI	1.473%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

30-Sep ▲ %pt Chg
-0.7% 4.8
Economy Shrinking

Consumer Confidence

29-Sep ▼ pt Chg
54.1 1.4
Confidence Tentative

Housing Starts

17-Sep ▲ % Chg
598K 1.5%
Slowing Stabilizing

Dow Jones

9,995.91

NASDAQ

2,156.80

NYSE

7,133.96

S&P 500

1,087.68

Dow Jones



Unemployment Rate

2-Oct ▲ %pt Chg
9.8% 0.1
Unemployment Stabilizing

US Retail Sales

15-Sep ▼ % Chg
344.7b 1.5%
Sales Stabilizing

Existing Home Sales

24-Sep ▼ % Chg
5.21m 2.7%
Sales Stabilizing

Leading Indicators (LEI)

21-Sep ▲ % Chg
102.5 0.6
Economy Stabilizing

Manufacturing Activity

1-Oct ▼ pt Chg
52.6 0.3
Manufacturing Expanding

New Home Sales

25-Sep ▲ % Chg
429K 6.5%
Sales Stabilizing

Worth Remembering



The victory of success is half won when one gains the habit of setting goals and achieving them.

Og Mandino

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