



Linda's Mortgage Update

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**Week of
Dec. 13,
2009**

**Mortgage
Market
Commentary**

Mortgage rates moved upward last week in continued response to the previous week's employment report. While truly good economic news is still fairly sparse, there is sufficient evidence to warrant some additional optimism regarding the overall economy. Last week ended with another small surprise in the form of more than twice the expected increase in retail sales during November.

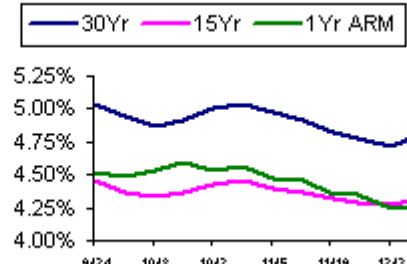
The probability of mortgage rates setting another all-time record low could be significantly reduced this week depending on how the Federal Reserve Policy Announcement reads. While the Fed has repeatedly indicated that it will keep rates low for an "extended period," these latest hints of economic recovery have some analysts wondering how the Fed will respond. If the Fed drops any bit of the language regarding the "extended period," or if they provide any insight into how they might begin unwinding their positions in the financial markets, we will see rates moving upward. However, if the statement remains mostly unchanged, we could see rates flatten out during the week.

Mortgage Rates

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

	<u>December 10</u>		<u>12/3/09</u>
30 Year Fixed	4.81%	▲	4.71%
15 Year Fixed	4.32%	▲	4.27%
One Year ARM	4.24%	▼	4.25%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.290%
12 Mn Libor	1.004%
6 Mo Libor	0.456%
11 th D. COFI	1.259%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

24-Nov ▲ %pt Chg
2.8% 3.5
Economy Growing

Consumer Confidence

24-Nov ▲ pt Chg
49.5 0.8
Confidence Tentative

Housing Starts

18-Nov ▼ % Chg
529K 10.6%
Slowing Stabilizing

Dow Jones 10,471.50 **NASDAQ** 2,190.31
NYSE 7,125.12 **S&P 500** 1,106.41

Unemployment Rate

4-Dec ▼ %pt Chg
10.0% 0.2
Unemployment Stabilizing

US Retail Sales

12-Dec ▲ % Chg
352.1b 1.3%
Sales Stabilizing

Existing Home Sales

23-Nov ▲ % Chg
6.10m 10.1%
Sales Stabilizing



Leading Indicators (LEI)

19-Nov ▲ % Chg
103.8 0.3
Economy Stabilizing

Manufacturing Activity

1-Dec ▼ pt Chg
53.6 2.1
Manufacturing Expanding

New Home Sales

25-Nov ▲ % Chg
430K 6.2%
Sales Stabilizing

Worth Remembering



Nine-tenths of wisdom is appreciation. Go find someone's hand and squeeze it, while there's still time.

Dale Dauten

Linda Hancock

850-747-1620 Cell

850-747-1650 Fax

Linda.Hancock@mortgagefamily.com