



Linda's Mortgage Update

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**Week of
Jan. 31,
2010**

**Mortgage
Market
Commentary**

While last week had some economic data released, non-market events seemed to dominate. Fed Chair Bernanke was reconfirmed by the Senate, but with the smallest number of votes in the Fed's history. This may foreshadow some interesting battles ahead for monetary management in the US in coming months. The Fed also met, leaving interest rates unchanged again. However, its policy announcement confirmed the end dates for a number of market support programs, including a March 31st termination of the Fed's program of buying mortgage-backed securities. In addition to all this, GDP came in at a brisk 5.7%, Consumer Confidence and Sentiment increased, and existing home sales cratered. Everything seemed to come out in balance, and mortgage rates barely budged.

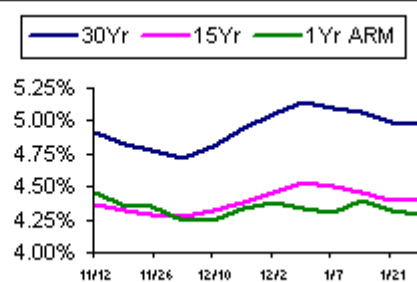
This week, we may have a bit more focus on economic data with the ISM reports and employment data. With signs pointing toward economic recovery, even a tepid one, a decrease in unemployment and net gain of jobs in January could push mortgage rates upward into next week.

Mortgage Rates

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

| | January 28 | | 1/21/10 |
|---------------|-------------------|---|----------------|
| 30 Year Fixed | 4.98% | ▼ | 4.99% |
| 15 Year Fixed | 4.39% | ▼ | 4.40% |
| One Year ARM | 4.29% | ▼ | 4.32% |

For more information visit www.FreddieMac.com



Rates & Indexes

| | |
|--------------------------|--------|
| 1 Yr T-Bill | 0.310% |
| 12 Mn Libor | 0.846% |
| 6 Mo Libor | 0.384% |
| 11 th D. COFI | 1.828% |
| Prime | 3.250% |
| Fed Fund | 0.250% |

Economic Snapshot

Gross Domestic Product

29-Jan ▲ %pt Chg
5.7 3.5
Economy Growing

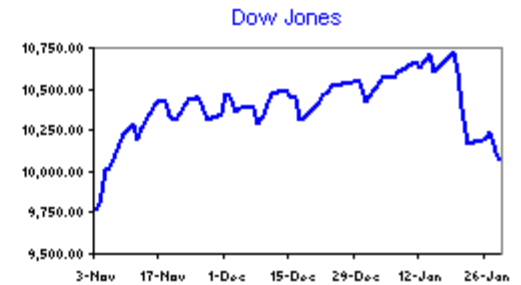
Consumer Confidence

26-Jan ▲ pt Chg
55.9 2.3
Confidence Tentative

Housing Starts

20-Jan ▼ % Chg
577K 4.0%
Slowing Stabilizing

Dow Jones 10,067.33 **NASDAQ** 2,205.29
NYSE 7,030.61 **S&P 500** 1,091.76



Unemployment Rate

8-Jan ↔ %pt Chg
10.0% 0.2
Unemployment Stabilizing

US Retail Sales

14-Jan ▼ % Chg
353.0b 0.3%
Sales Stabilizing

Existing Home Sales

25-Jan ▼ % Chg
5.45m 16.7%
Sales Stabilizing

Leading Indicators (LEI)

21-Jan ▲ % Chg
106.4 1.1
Economy Stabilizing

Manufacturing Activity

1-Jan ▲ pt Chg
55.9 2.3
Manufacturing Expanding

New Home Sales

2-Dec ▼ % Chg
355K 11.3%
Sales Stabilizing

Worth Remembering



You have to have confidence in your ability, and then be tough enough to follow through.

Rosalynn Carter

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