



# Linda's Mortgage Update

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**Week of  
Feb. 7,  
2010**

**Mortgage  
Market  
Commentary**

According to comments this last weekend by Treasury Secretary Timothy Geithner, the risk that the economy will slip back into recession is lower now than at any time in the past year. While the probability of a "double-dip recession" may be unlikely, Geithner believes the current recovery is likely to be very uneven. Some evidence of this was certainly present in last week's ISM Indices. The services index managed to stay above 50, indicating a slight amount of growth in service industries, while the manufacturing index bolted to its highest level since 2004. While the Labor Department employment data did show signs of an improving labor market, other measures released last week were not as positive. Overall, we are at a point where mortgage rates might slip slightly, but the risk of a quick upward movement continues to grow.

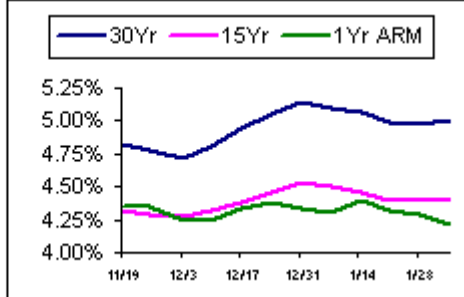
This week has a bit less economic data than last week, but with Retail Sales data due, we could see rates moving upward, especially if sales come in stronger than most analysts are predicting.

## Mortgage Rates

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

	<b>February 4</b>		<b>1/28/10</b>
30 Year Fixed	5.01%	▲	4.98%
15 Year Fixed	4.40%	▲	4.39%
One Year ARM	4.22%	▼	4.29%

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



**Rates & Indexes**

1 Yr T-Bill	0.310%
12 Mn Libor	0.838%
6 Mo Libor	0.385%
11 <sup>th</sup> D. COFI	1.828%
Prime	3.250%
Fed Fund	0.250%

## Economic Snapshot

**Gross Domestic Product**

29-Jan	▲	%pt Chg
5.7		3.5
<i>Economy Growing</i>		

**Consumer Confidence**

26-Jan	▲	pt Chg
55.9		2.3
<i>Confidence Tentative</i>		

**Housing Starts**

20-Jan	▼	% Chg
577K		4.0%
<i>Slowing Stabilizing</i>		

**Dow Jones** 10,012.23 **NASDAQ** 2,141.12

**NYSE** 6,782.75 **S&P 500** 1,066.19

**Unemployment Rate**

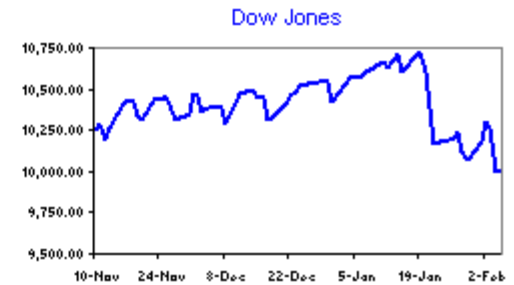
5-Feb	▼	%pt Chg
9.7%		0.3
<i>Unemployment Stabilizing</i>		

**US Retail Sales**

14-Jan	▼	% Chg
353.0b		0.3%
<i>Sales Stabilizing</i>		

**Existing Home Sales**

25-Jan	▼	% Chg
5.45m		16.7%
<i>Sales Stabilizing</i>		



**Leading Indicators (LEI)**

21-Jan	▲	% Chg
106.4		1.1
<i>Economy Stabilizing</i>		

**Manufacturing Activity**

1-Feb	▲	pt Chg
58.4		2.5
<i>Manufacturing Expanding</i>		

**New Home Sales**

27-Jan	▼	% Chg
355K		11.3%
<i>Sales Stabilizing</i>		

*Worth Remembering*



Life's challenges are not supposed to paralyze you; they're supposed to help you discover who you are.

Bernice J. Reagon

**Linda Hancock**

**850-747-1620 Cell**

**850-747-1650 Fax**

[Linda.Hancock@mortgagefamily.com](mailto:Linda.Hancock@mortgagefamily.com)