



Linda's Mortgage Update

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**Week of
March 7,
2010**

**Mortgage
Market
Commentary**

Last week saw mortgage rates holding relatively steady even though the first-of-the-month cascade of data revealed a bit more hope for the budding economic recovery. While the ISM Manufacturing Index did tick downward to 56.6, it remains firmly above 50, which indicates that manufacturing is continuing to expand. The ISM Services Index climbed to 53.0, indicating growth in services. The unemployment rate remained steady at 9.7% and only 36,000 jobs were lost last month. Both of the ISM surveys and a few other indices are starting to show some signs that we may see increases in employment in the next few months. This will be great for the economy and those seeking work, however, it will likely coincide with the Fed beginning to raise interest rates.

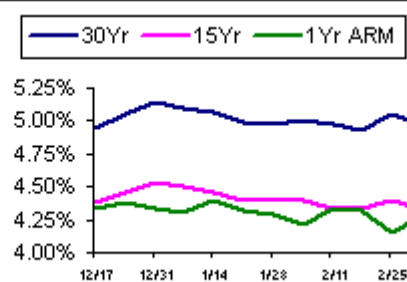
This week is lighter in terms of economic news, but retail sales data is due. With consumer moods darkening some, a drop in sales could help hold rates down. However, some comments last week from Congressman Barney Frank regarding Freddie and Fannie debt could help push rates upward.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	March 4		2/25/10
30 Year Fixed	4.97%	▼	5.05%
15 Year Fixed	4.33%	▼	4.40%
One Year ARM	4.27%	▲	4.15%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.340%
12 Mn Libor	0.851%
6 Mo Libor	0.390%
11 th D. COFI	1.786%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

26-Feb	▲	%pt Chg
5.9		3.7
<i>Economy Growing</i>		

Consumer Confidence

23-Feb	▼	pt Chg
46.0		10.5
<i>Confidence Retreating</i>		

Housing Starts

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

Dow Jones	10,566.20	NASDAQ	2,238.26
NYSE	7,035.04	S&P 500	1,104.49

Unemployment Rate

5-Mar	↔	%pt Chg
9.7%		0.3
<i>Unemployment Stabilizing</i>		

US Retail Sales

12-Feb	▲	% Chg
355.8b		0.5%
<i>Sales Stabilizing</i>		

Existing Home Sales

26-Feb	▼	% Chg
5.05m		7.2%
<i>Sales Slowing</i>		



Leading Indicators (LEI)

18-Feb	▲	% Chg
107.4		0.3
<i>Economy Stabilizing</i>		

Manufacturing Activity

1-Mar	▼	pt Chg
56.5		1.9
<i>Manufacturing Expanding</i>		

New Home Sales

24-Feb	▼	% Chg
309K		11.2%
<i>Sales Slowing</i>		

Worth Remembering



Minds are like flowers.
If you let it sit there
without soaking
anything up, it will dry
up.

Ken Hill

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