



Linda's Mortgage Update

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**Week of
March 21,
2010**

**Mortgage
Market
Commentary**

According to some analysts, mortgage rates again “wandered about aimlessly” last week. It is becoming more apparent that the current economic recovery will be a very slow and muted affair, at least for the time being. With manufacturing issues appearing to cool, consumers remaining on the sidelines, and, in last week’s PPI and CPI, inflationary pressures seeming to be nearly nonexistent, the Fed will likely be able to maintain its low rates for some time. The Fed’s policy statement last week said as much, with the Fed leaving rates unchanged again.

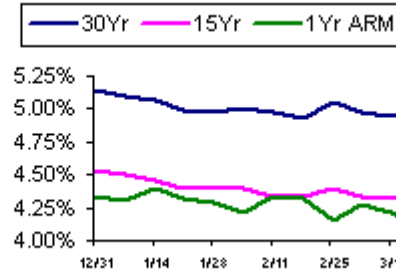
This week could be another week of the same for rates, but there are some unknowns coming. While many have pointed out that the Fed continues to have many tools available to influence rates, its campaign of buying mortgage-backed securities will come to an end on March 31st. While there appears to be some significant stability to rates right now, markets can turn quickly. Hopefully it will not happen, but even a false rumor could lead to a spike in mortgage rates in the coming weeks.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	March 18		3/11/10
30 Year Fixed	4.96%	▲	4.95%
15 Year Fixed	4.33%	▲	4.32%
One Year ARM	4.12%	▼	4.22%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.390%
12 Mn Libor	0.876%
6 Mo Libor	0.423%
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

16-Mar	▼	% Chg
575K		5.9%
<i>Slowing Stabilizing</i>		

Dow Jones	10,741.98	NASDAQ	2,374.41
NYSE	7,386.85	S&P 500	1,159.90

Unemployment Rate

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

US Retail Sales

12-Mar	▲	% Chg
355.5b		0.3%
<i>Sales Stabilizing</i>		

Existing Home Sales

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



Leading Indicators (LEI)

18-Feb	▲	% Chg
107.6		0.1
<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



There is no end to the adventures that we can have if only we seek them with our eyes open.

Jawaharlal Nehru

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