



# Linda's Mortgage Update

*The fastest, simplest, most convenient way home!*

**Week of  
May 9,  
2010**

**Mortgage  
Market  
Commentary**

Under more normal conditions, mortgage rates would very likely have risen last week given the good economic news. According to the Labor Department, 290,000 new jobs were added to the economy. The unemployment rate did tick upward, but this was due to individuals who previously had stopped looking for work and have now returned to job seeking. Additionally, the ISM Index rose to its highest reading since 2004. However, last week was far from a normal week. Concerns over the debt crisis in Greece, and the potential for similar issues in Spain and Portugal, put much of the global financial markets on edge. Combine that with the Dow Jones dropping some 1,000 points, due to some glitches, and safe havens for money, such as treasury bonds, became very appealing. This helped drive mortgage rates downward, but they could move back up quickly in the weeks ahead.

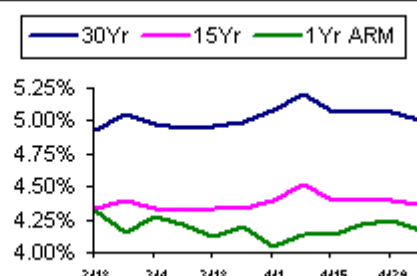
This week has many important economic data points to watch, including Retail Sales and Industrial Production. Of course, rates could go either way as events unfold in European markets.

## Mortgage Rates

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

|               | <b>May 6</b> |   | <b>4/29/10</b> |
|---------------|--------------|---|----------------|
| 30 Year Fixed | 5.00%        | ▼ | 5.06%          |
| 15 Year Fixed | 4.36%        | ▼ | 4.39%          |
| One Year ARM  | 4.17%        | ▼ | 4.25%          |

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



**Rates & Indexes**

|                          |        |
|--------------------------|--------|
| 1 Yr T-Bill              | 0.430% |
| 12 Mn Libor              | 1.130% |
| 6 Mo Libor               | 0.637% |
| 11 <sup>th</sup> D. COFI | 1.859% |
| Prime                    | 3.250% |
| Fed Fund                 | 0.250% |

## Economic Snapshot

**Gross Domestic Product**

|                        |   |         |
|------------------------|---|---------|
| 14-Apr                 | ▼ | %pt Chg |
| 3.2                    |   | 2.4     |
| <i>Economy Growing</i> |   |         |

**Consumer Confidence**

|                             |   |        |
|-----------------------------|---|--------|
| 27-Apr                      | ▲ | pt Chg |
| 57.9                        |   | 5.6    |
| <i>Confidence Improving</i> |   |        |

**Housing Starts**

|                            |   |       |
|----------------------------|---|-------|
| 16-Apr                     | ▲ | % Chg |
| 626K                       |   | 1.6%  |
| <i>Slowing Stabilizing</i> |   |       |

**Dow Jones** 10,380.43 **NASDAQ** 2,265.64

**NYSE** 6,916.18 **S&P 500** 1,110.88

**Unemployment Rate**

|                                 |   |         |
|---------------------------------|---|---------|
| 7-May                           | ▲ | %pt Chg |
| 9.8%                            |   | 0.1     |
| <i>Unemployment Stabilizing</i> |   |         |

**US Retail Sales**

|                          |   |       |
|--------------------------|---|-------|
| 15-Apr                   | ▲ | % Chg |
| 363.2b                   |   | 1.6%  |
| <i>Sales Stabilizing</i> |   |       |

**Existing Home Sales**

|                      |   |       |
|----------------------|---|-------|
| 22-Apr               | ▲ | % Chg |
| 5.35m                |   | 6.8%  |
| <i>Sales Slowing</i> |   |       |



**Leading Indicators (LEI)**

|                            |   |       |
|----------------------------|---|-------|
| 19-Apr                     | ▲ | % Chg |
| 109.6                      |   | 1.4   |
| <i>Economy Stabilizing</i> |   |       |

**Manufacturing Activity**

|                                |   |        |
|--------------------------------|---|--------|
| 3-May                          | ▲ | pt Chg |
| 60.4                           |   | 0.8    |
| <i>Manufacturing Expanding</i> |   |        |

**New Home Sales**

|                            |   |       |
|----------------------------|---|-------|
| 23-Apr                     | ▲ | % Chg |
| 411K                       |   | 26.9% |
| <i>Slowing Stabilizing</i> |   |       |

*Worth Remembering*



Who is richer? The man who is seen, but cannot see? Or the man who is not being seen, but can see?

Babe Ruth

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