



# Linda's Mortgage Update

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

**Week of  
October 28,  
2007**

**Mortgage  
Market  
Commentary**

Mortgage rates moved downward last week as the housing market continued to weaken. Existing home sales sagged to a 10-year low, with inventories rising and the median sales price slipping again. Month-over-month new home sales rose, but significant downward revisions for the three previous months put new home sales at a lower number than previously thought.

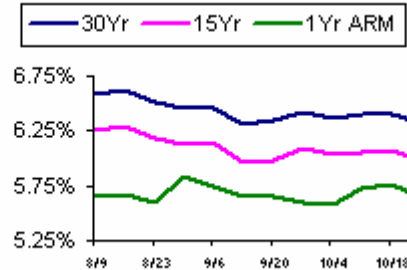
This week's meeting of the Federal Reserve will dominate a week already packed with important economic news and data. Markets are expecting a ¼-point rate cut, but there is speculation that we could see another ½-point cut. While financial markets appear to be recovering from the recent credit crunch scare, concerns linger that the Fed needs to do more to stabilize financial markets and to keep the housing market challenges from becoming more wide-spread. If the Fed can convince the market that it is applying the right tools to protect and stimulate the market, without undue risk of increasing inflation, we should see mortgage rates continuing to move downward.

## Mortgage Rates

### Freddie Mac's Primary Mortgage Market Survey

	October 25		10/18/07
30 Year Fixed	6.33%	▼	6.40%
15 Year Fixed	5.99%	▼	6.08%
One Year ARM	5.66%	▼	5.76%

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



### Rates & Indexes

1 Yr T-Bill	4.140%
12 Mn Libor	4.618%
6 Mo Libor	4.836%
11 <sup>th</sup> D. COFI	4.359%
Prime	7.750%
Fed Fund	4.750%

## Economic Snapshot

### Gross Domestic Product

27-Sep ▲ %pt Chg  
+3.8% 3.2  
*Healthy Growth*

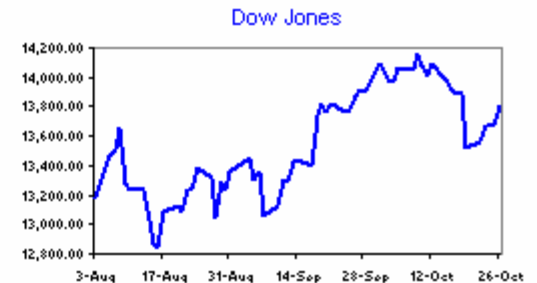
### Consumer Confidence

25-Sep ▼ pt Chg  
99.8 5.8  
*Confidence Dropping*

### Housing Starts

17-Oct ▼ % Chg  
1.19m 10.2%  
*Slowing Growth*

**Dow Jones** 13,806.70 **NASDAQ** 2,804.19  
**NYSE** 10,189.13 **S&P 500** 1,535.28



### Unemployment Rate

4-Oct ▲ %pt Chg  
4.6% 0.1  
*Slowing Growth*

### US Retail Sales

12-Oct ▲ % Chg  
380.2b 0.6%  
*Continuing Growth*

### Existing Home Sales

24-Oct ▼ % Chg  
5.05m 8.0%  
*Slowing Growth*

### Leading Indicators (LEI)

18-Oct ▲ % Chg  
137.9 0.3  
*Slowing Growth*

### Manufacturing Activity

1-Oct ▼ pt Chg  
52.0 0.9  
*Manufacturing Slowing*

### New Home Sales

25-Oct ▲ % Chg  
770K 4.8%  
*Slowing Growth*

### Worth Remembering



Having a dream is what keeps you alive.  
Overcoming the challenges make life worth living.

Mary Tyler Moore

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