



Linda's Mortgage Update

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**Week of
Jan. 20
2008**

**Mortgage
Market
Commentary**

Mortgage rates dropped to near three-year lows last week with economic data continuing to point to a slowing economy, and inflationary data revealing a nearly stable inflationary environment. This should allow the Fed to drop interest rates at the end of the month if they choose. It should be noted, that while there is clear evidence that the rate of economic growth has slowed, we are not in a recession. The economy faces significant challenges, but the Fed is acting very aggressively. We are already seeing some positive effects of the Fed's efforts with increases in market liquidity. Moreover, because we are in an election year, we are likely to see significant economic stimulus from the Federal government. All of this could re-ignite strong economic growth, and mortgage rates could quickly start climbing. However, if growth falters further, we could see even lower rates.

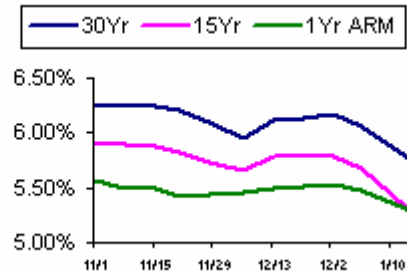
This week holds almost no economic data that will push rates significantly. Rates are likely to flatten as we wait for the following week, which is jam-packed with important economic reports and data.

Mortgage Rates

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

| | January 17 | 1/10/08 |
|---------------|------------|---------|
| 30 Year Fixed | 5.69% ▼ | 5.87% |
| 15 Year Fixed | 5.21% ▼ | 5.43% |
| One Year ARM | 5.26% ▼ | 5.37% |

For more information visit www.FreddieMac.com



Rates & Indexes

| | |
|--------------------------|--------|
| 1 Yr T-Bill | 3.040% |
| 12 Mn Libor | 3.396% |
| 6 Mo Libor | 3.754% |
| 11 th D. COFI | 4.172% |
| Prime | 7.250% |
| Fed Fund | 4.250% |

Economic Snapshot

Gross Domestic Product

20-Dec ▲ %pt Chg
+4.9% 1.1
Healthy Growth

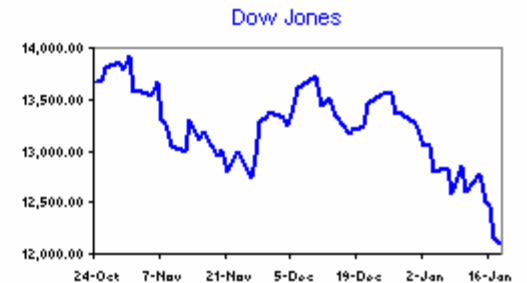
Consumer Confidence

27-Dec ▲ pt Chg
88.6 0.8
Confidence Leveling

Housing Starts

17-Jan ▼ % Chg
1.01m 14.2%
Slowing Growth

Dow Jones 12,099.30 **NASDAQ** 2,340.02
NYSE 8,794.86 **S&P 500** 1,325.19



Unemployment Rate

4-Jan ▲ %pt Chg
5.0% 0.3
Unemployment Rising

US Retail Sales

15-Jan ▼ % Chg
382.9b 0.4%
Slowing Growth

Existing Home Sales

31-Dec ▲ % Chg
5.00m 0.4%
Slowing Growth

Leading Indicators (LEI)

18-Jan ▼ % Chg
136.5 0.2
Slowing Growth

Manufacturing Activity

2-Jan ▼ pt Chg
47.7 3.1
Manufacturing Slowing

New Home Sales

28-Dec ▼ % Chg
647K 9.0%
Slowing Growth

Worth Remembering



If you want to know how rich you are, just count up all the things you have that money can't buy.

Daniel Webster

Linda Hancock

850-747-1620 Cell

850-747-1650 Fax

Linda.Hancock@mortgagefamily.com