



# Linda's Mortgage Update

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

**Week of  
Jan. 27  
2008**

**Mortgage  
Market  
Commentary**

In what should have been a quiet week for financial markets, turmoil reined. The Fed started the holiday-shortened week by slashing the Fed Funds rate to 3.5% from 4.25%. The official position was that the move was in response to the weakening economy, but there may have been another reason. A rogue trader in one of France's largest financial institutions orchestrated a \$7 billion fraud. The Fed's move likely helped mitigate the damage from this fraud and the global impact of unwinding the trader's positions in various international markets. Mortgage rates experienced a whiplash effect, first dropping, and then bouncing back upward as the week ended.

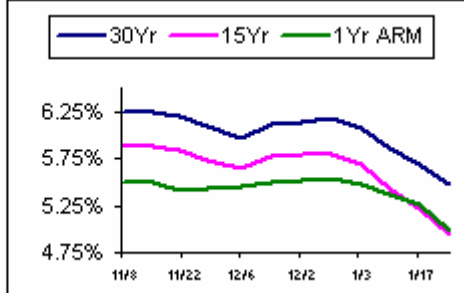
In addition to dealing with the fallout from last week, this week is packed with critical economic news and data. The Fed meets again this week with expectations of another quarter-point drop to the Fed Funds rate. We also get our first look at GDP numbers for the fourth quarter. The week will start with some upward pressure on rates, but it could be another wild week for mortgage rates.

## Mortgage Rates

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

	<u>January 24</u>		<u>1/17/08</u>
30 Year Fixed	5.48%	▼	5.69%
15 Year Fixed	4.95%	▼	5.21%
One Year ARM	4.99%	▼	5.26%

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



**Rates & Indexes**

1 Yr T-Bill	2.830%
12 Mn Libor	3.126%
6 Mo Libor	3.300%
11 <sup>th</sup> D. COFI	4.172%
Prime	6.500%
Fed Fund	3.500%

## 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** 12,207.17 **NASDAQ** 2,326.20  
**NYSE** 8,827.50 **S&P 500** 1,330.61



**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**

24-Jan ▼ % Chg  
4.89m 2.2%  
*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*



Difficulties are meant to rouse, not discourage. The human spirit is to grow strong by conflict.

William E. Channing

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