



Linda's Mortgage Update

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**Week of
Feb. 24
2008**

**Mortgage
Market
Commentary**

Mortgage rates climbed higher last week with news that inflationary pressures could be heating up. The release of the minutes from the last Federal Reserve meeting also helped propel mortgage rates higher. It was noted that once the economy appears to be in better shape the Fed may need to rapidly raise interest rates. While we may still dip into recession, the Fed's continued fight to add liquidity to the credit markets, the now signed economic stimulus package, and the debate beginning on another stimulus package does raise the probability that the economy will heat up in the not-too-distant future. Unfortunately, all this effort will most certainly generate additional inflation.

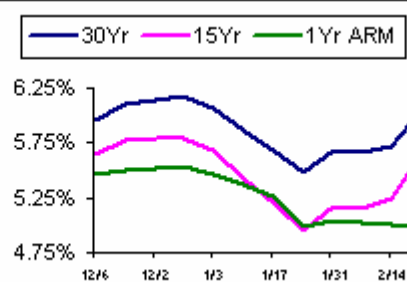
This week again has the potential to see mortgage rates move significantly in one direction or the other. The first revision to 2007's 4th quarter GDP is due this week. Expectations are for a slight revision higher. A downward revision could calm bonds and help push rates back down. The Consumer Confidence Index is also due. If moods are stilling souring, rates could push downward.

Mortgage Rates

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

	<u>February 21</u>		<u>2/14/08</u>
30 Year Fixed	6.04%	▲	5.72%
15 Year Fixed	5.64%	▲	5.25%
One Year ARM	4.98%	▼	5.00%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	2.040%
12 Mn Libor	2.821%
6 Mo Libor	2.999%
11 th D. COFI	4.072%
Prime	6.000%
Fed Fund	3.000%

Economic Snapshot

Gross Domestic Product

30-Jan ▼ %pt Chg
+0.6% 4.3
Healthy Growth

Consumer Confidence

29-Jan ▼ pt Chg
87.9 2.7
Confidence Decreasing

Housing Starts

20-Feb ▲ % Chg
1.01m 0.8%
Slowing Growth

Dow Jones 12,381.02 **NASDAQ** 2,321.80
NYSE 8,970.76 **S&P 500** 1,349.99



Unemployment Rate

1-Feb ▼ %pt Chg
4.9% 0.1
Unemployment Rising

US Retail Sales

13-Feb ▲ % Chg
382.9b 0.4%
Slowing Growth

Existing Home Sales

24-Jan ▼ % Chg
4.89m 2.2%
Slowing Growth

Leading Indicators (LEI)

21-Feb ▼ % Chg
135.8 0.1
Slowing Growth

Manufacturing Activity

1-Feb ▲ pt Chg
50.7 2.3
Manufacturing Expanding

New Home Sales

28-Jan ▼ % Chg
604K 4.7%
Slowing Growth

Worth Remembering



What counts is not necessarily the size of the dog in the fight - it's the size of the fight in the dog.

Dwight D. Eisenhower

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