



Linda's Mortgage Update

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**Week of
March 02
2008**

**Mortgage
Market
Commentary**

Mortgage rates marched higher for most of last week as investors continued to be hesitant about even good-quality, mortgage-backed investments. Existing and new home sales numbers again revealed that the bottom has yet to be found for the struggling housing market. Fed Chair Bernanke's comments last week regarding the Fed's increasing willingness to provide economic stimulus, and an unrevised GDP should provide some downward pressure on rates as we start the first week of March.

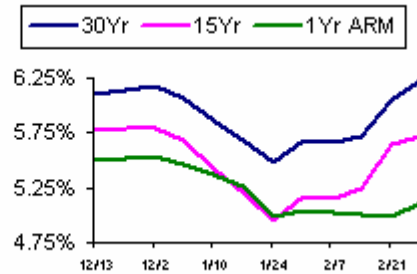
This week could be another bumpy week for mortgage rates, with some very important data due. The week starts with expectations of a below-50 ISM Manufacturing Index. If the reading drops below 48.5, we could see rates reverse much of last week's climb. The week ends with an extremely important monthly employment report. After last month's net loss of jobs, another loss of jobs would very likely drive mortgage rates downward. Add in an increase in the unemployment rate, and all interest rates are likely to end the week, and start the following week, on a downward trajectory.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	February 28		2/21/08
30 Year Fixed	6.24%	▲	6.04%
15 Year Fixed	5.72%	▲	5.64%
One Year ARM	5.11%	▲	4.98%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	2.100%
12 Mn Libor	2.709%
6 Mo Libor	2.931%
11 th D. COFI	4.072%
Prime	6.000%
Fed Fund	3.000%

Economic Snapshot

Gross Domestic Product

28-Feb ▼ %pt Chg
+0.6% 4.3
Slowing Growth

Consumer Confidence

26-Feb ▼ pt Chg
75.0 6.3
Confidence Decreasing

Housing Starts

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

Dow Jones 12,266.39 **NASDAQ** 2,271.48
NYSE 8,962.46 **S&P 500** 1,330.63



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

25-Feb ▼ % Chg
4.89m 0.4%
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

27-Feb ▼ % Chg
588K 2.8%
Slowing Growth

Worth Remembering



If you don't accept responsibility for your own actions, then you are forever chained to a position of defense.

Holly Lisle

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