



# Linda's Mortgage Update

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

**Week of  
March 16,  
2008**

**Mortgage  
Market  
Commentary**

Last week, retail sales data came in lower than expected, and the Consumer Price Index held steady. Unfortunately, this data failed to move mortgage rates downward as it usually would. The culprit continues to be lack of investor interest, and the situation is unlikely to improve anytime in the immediate future. The collapse of a major overseas hedge fund and investment bank, Bears Stearns, highlight the challenges for institutions with significant mortgage-backed holdings. Fortunately, the recent economic weakness and the Fed's actions are likely to keep rates from going up very much.

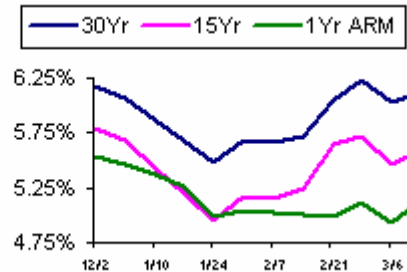
The Fed meets this week and is expected to slash interest rates by another 1/2 point. With last week's unchanged CPI, some analysts are calling for a 3/4-point cut. If the larger cut happens, we could see rates move downward. However, a surprise 1/4-point cut would likely lead to higher rates, as a 1/2-point cut is mostly priced into the market. The Fed's Policy Statement will also be scrutinized. Hints that further cuts may be needed would very likely push mortgage rates downward.

## Mortgage Rates

### Freddie Mac's Primary Mortgage Market Survey

	March 13		3/6/08
30 Year Fixed	6.13%	▲	6.03%
15 Year Fixed	5.60%	▲	5.47%
One Year ARM	5.14%	▲	4.94%

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



### Rates & Indexes

1 Yr T-Bill	1.660%
12 Mn Libor	2.513%
6 Mo Libor	2.671%
11 <sup>th</sup> D. COFI	3.970%
Prime	6.000%
Fed Fund	3.000%

## Economic Snapshot

### Gross Domestic Product

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

### Consumer Confidence

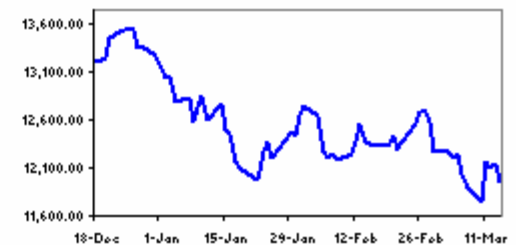
26-Feb ▼ pt Chg  
75.0 6.3  
*Confidence Decreasing*

### Housing Starts

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

Dow Jones 11,951.09 NASDAQ 2,212.49  
NYSE 8,635.92 S&P 500 1,288.14

Dow Jones



### Unemployment Rate

7-Mar ▼ %pt Chg  
4.8% 0.1  
*Unemployment Dropping*

### US Retail Sales

13-Mar ▼ % Chg  
380.2b 0.6%  
*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

3-Mar ▼ pt Chg  
48.3 2.4  
*Manufacturing Contracting*

### New Home Sales

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

### Worth Remembering



I honestly think it is better to be a failure at something you love than to be a success at something you hate.

George Burns

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