



# Linda's Mortgage Update

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

**Week of  
April 27,  
2008**

**Mortgage  
Market  
Commentary**

Mortgage rates began trending higher last week as the limited amount of economic news that came out was not as dire as expected. While the economy continues to run at a sub-par level, there is some evidence that we may not drop as far, or last as long, as some have been predicting. With inflation refusing to behave, signs of stability are increasing the chances that the Fed will stand pat on rates.

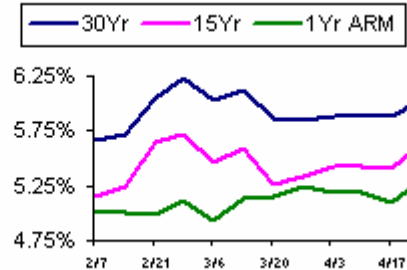
This week is huge in terms of important events and data for financial markets. There is a moderate likelihood that the Fed will trim rates another ¼-point on Tuesday. However, this is unlikely to help mortgage rates, as they have been held in check by growing inflationary concerns. We could see mortgage rates begin to climb aggressively if GDP for the 1<sup>st</sup> quarter comes in above 0.8% or if Friday's Employment Report is much better than expected. Either of these would indicate that the economy may be faring better than thought. This would free the Fed to return to focusing efforts on fighting inflation, which could lead to the possibility of higher interest rates later this year.

## Mortgage Rates

### Freddie Mac's Primary Mortgage Market Survey

	April 24		4/17/08
30 Year Fixed	6.03%	▲	5.88%
15 Year Fixed	5.62%	▲	5.40%
One Year ARM	5.29%	▲	5.10%

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



### Rates & Indexes

1 Yr T-Bill	1.670%
12 Mn Libor	3.235%
6 Mo Libor	3.080%
11 <sup>th</sup> D. COFI	3.560%
Prime	5.250%
Fed Fund	2.250%

## Economic Snapshot

### Gross Domestic Product

27-Mar ▼ %pt Chg  
+0.6% 4.3  
*Slowing Growth*

### Consumer Confidence

25-Mar ▼ pt Chg  
64.5 11.9  
*Confidence Decreasing*

### Housing Starts

16-Apr ▼ % Chg  
947K 11.9%  
*Slowing Growth*

Dow Jones 12,891.86 NASDAQ 2,422.93  
NYSE 9,344.31 S&P 500 1,397.84

Dow Jones



### Unemployment Rate

4-Apr ▲ %pt Chg  
5.1% 0.3  
*Unemployment Growing*

### US Retail Sales

14-Apr ▲ % Chg  
381.4b 0.2%  
*Sluggish Growth*

### Existing Home Sales

22-Apr ▼ % Chg  
4.93m 2.0%  
*Slowing Growth*

### Leading Indicators (LEI)

17-Apr ▲ % Chg  
102.0 0.3  
*Sluggish Growth*

### Manufacturing Activity

1-Apr ▲ pt Chg  
48.6 0.3  
*Manufacturing Contracting*

### New Home Sales

24-Apr ▼ % Chg  
526K 8.5%  
*Slowing Growth*

## Worth Remembering



The worst thing that can happen is you fail. So what? I failed at a lot of things. My first record was horrible.

John Mellencamp

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