



# Linda's Mortgage Update

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

**Week of  
May 11,  
2008**

**Mortgage  
Market  
Commentary**

Last week, mortgage rates held steady again as the week's economic indicators continued to reveal an economy that is neither growing nor shrinking. The most positive news of the week was the ISM Services Index surprise 52.0 reading. Any reading over 50 is considered to be a sign of growth in the service segment of the economy. Analysts had expected the index to hold steady around 49.5.

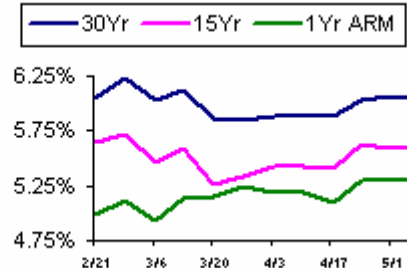
This week has three very important monthly economic reports: Retail Sales, Industrial Production, and the Consumer Price Index. If Retail Sales and Industrial Production both show unexpected signs of strength, we could see some upward movement in mortgage rates. However, the CPI could trump such a situation by coming in lower than anticipated. With inflation fears all over the market, any signs of weakening inflation would be very positive. The bond market would likely rally with mortgage rates stepping down slightly. The worst case for mortgage rates would be a spike in the CPI with great economic news. This might increase the odds of the Fed increasing rates fairly soon.

## Mortgage Rates

### Freddie Mac's Primary Mortgage Market Survey

	May 8		5/1/08
30 Year Fixed	6.05%	▼	6.06%
15 Year Fixed	5.60%	▲	5.59%
One Year ARM	5.29%	↔	5.29%

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



### Rates & Indexes

1 Yr T-Bill	1.930%
12 Mn Libor	2.944%
6 Mo Libor	2.820%
11 <sup>th</sup> D. COFI	3.280%
Prime	5.000%
Fed Fund	2.000%

## Economic Snapshot

### Gross Domestic Product

30-Apr ↔ %pt Chg  
+0.6% 0.0  
*Slowing Growth*

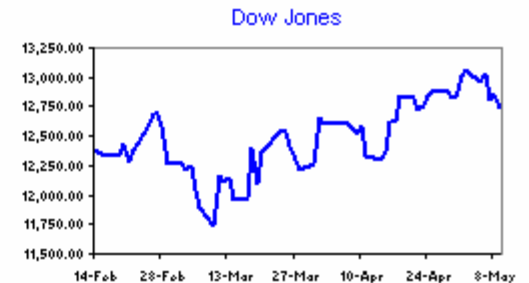
### Consumer Confidence

29-Apr ▼ pt Chg  
62.3 3.6  
*Confidence Decreasing*

### Housing Starts

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

Dow Jones 12,745.88 NASDAQ 2,445.52  
NYSE 9,327.97 S&P 500 1,388.28



### Unemployment Rate

2-May ▼ %pt Chg  
5.0% 0.1  
*Employment Steady*

### 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-May ↔ pt Chg  
48.6 0.0  
*Manufacturing Contracting*

### New Home Sales

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

### Worth Remembering



It's better to be boldly  
decisive and risk being  
wrong than to agonize  
at length and be right  
too late.

Marilyn Kennedy

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