



Linda's Mortgage Update

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**Week of
Dec. 30
2007**

**Mortgage
Market
Commentary**

Mortgage rates moved little last week and are ending 2007 very near where they started the year. A great deal has happened in the past year. Residential real estate and the mortgage industry struggled after years of record growth. Credit markets dried up, with many mortgage products disappearing. While many analysts had predicted doom-and-gloom for the economy in 2007, it never materialized. The economy powered through the housing and credit market challenges.

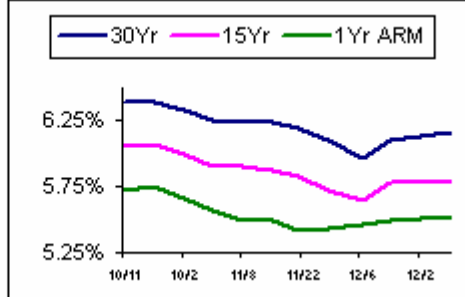
Will 2008 be a year of economic recession and plummeting real estate values, or will housing finally hit bottom and return to pushing the economy forward? While only time will tell, the first economic reports of the year will likely set the tone for the next few weeks. If the ISM Index and employment data point to healthy manufacturing and labor markets, we should see mortgage rates remaining stable. However, if the year starts with troubled manufacturing data, or signs of a weakening employment environment, we'll see mortgage rates declining in anticipation of future Fed rate cuts.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	December 27	12/20/07
30 Year Fixed	6.17% ▲	6.14%
15 Year Fixed	5.79% ↔	5.79%
One Year ARM	5.53% ▲	5.51%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	3.280%
12 Mn Libor	4.295%
6 Mo Libor	4.649%
11 th D. COFI	4.233%
Prime	7.250%
Fed Fund	4.250%

Economic Snapshot

Gross Domestic Product

20-Dec ▲ %pt Chg
+4.9% 1.1
Healthy Growth

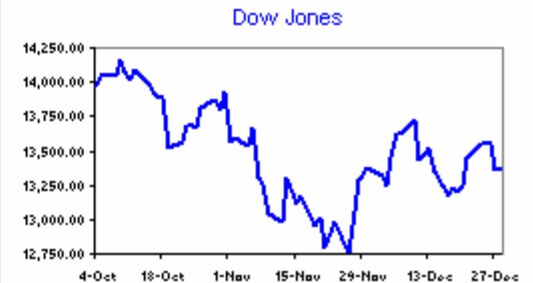
Consumer Confidence

27-Nov ▲ pt Chg
88.6 0.8
Confidence Leveling

Housing Starts

18-Dec ▼ % Chg
1.19m 3.7%
Slowing Growth

Dow Jones 13,365.87 NASDAQ 2,674.46
NYSE 9,803.89 S&P 500 1,478.49



Unemployment Rate

7-Dec ↔ %pt Chg
4.7% 0.0
Healthy Labor Market

US Retail Sales

13-Dec ▲ % Chg
385.8b 1.2%
Continuing Growth

Existing Home Sales

28-Nov ▼ % Chg
4.97m 1.2%
Slowing Growth

Leading Indicators (LEI)

20-Dec ▼ % Chg
136.3 0.4
Slowing Growth

Manufacturing Activity

1-Dec ▼ pt Chg
50.8 0.1
Manufacturing Slowing

New Home Sales

29-Nov ▼ % Chg
647K 9.0%
Slowing Growth

Worth Remembering



Be happy with what you have and are, be generous with both, and you won't have to hunt for happiness.

William Gladstone

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