



Linda's Mortgage Update

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**Week of
Feb. 17
2008**

**Mortgage
Market
Commentary**

Federal Reserve Chair Ben Bernanke gave his semi-annual testimony to the Senate Banking Committee last week. While he stated that the Fed stands ready to provide further stimulus to the economy if needed, he believes the US is neither in a recession, nor will go into one this year. Some of the week's data backed his words. Retail sales data came in higher than expected, and Industrial Production numbers showed minimal change. All of this, along with the passage of the economic stimulus package, resulted in long-term mortgage rates moving upward.

We start this week off with the release of the Consumer Price Index. Given all the recent effort to stimulate the economy, a spike upwards in the CPI could easily spook the markets and drive mortgage rates upward in fear of expanding inflationary pressures. Alternatively, a drop in the CPI could give the Fed additional flexibility in cutting rates again. The minutes from the Fed's last meeting also come out this week; any hints of future rate cuts will push rates downward.

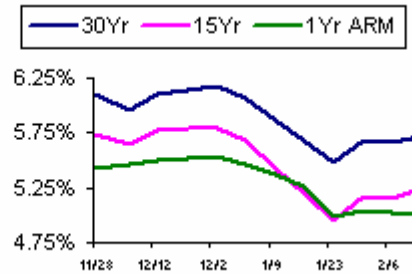
Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

February 14 *2/7/08*

30 Year Fixed	5.72%	▲	5.67%
15 Year Fixed	5.25%	▲	5.15%
One Year ARM	5.00%	▼	5.03%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	2.080%
12 Mn Libor	2.744%
6 Mo Libor	2.969%
11 th D. COFI	4.072%
Prime	6.000%
Fed Fund	3.000%

Economic Snapshot

Gross Domestic Product

30-Jan ▼ %pt Chg
+0.6% 4.3
Healthy Growth

Consumer Confidence

29-Jan ▼ pt Chg
87.9 2.7
Confidence Decreasing

Housing Starts

17-Jan ▼ % Chg
1.01m 14.2%
Slowing Growth

Dow Jones 12,348.21 NASDAQ 2,321.80
NYSE 8,970.76 S&P 500 1,349.99



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

24-Jan ▼ % Chg
4.89m 2.2%
Slowing Growth

Leading Indicators (LEI)

18-Jan ▼ % Chg
135.9 0.2
Slowing Growth

Manufacturing Activity

1-Feb ▲ pt Chg
50.7 2.3
Manufacturing Expanding

New Home Sales

28-Jan ▼ % Chg
604K 4.7%
Slowing Growth

Worth Remembering



You must know for which harbor you are headed if you are to catch the right wind to take you there.

Seneca

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