

Week of
Dec. 25,
2011

Are record low mortgage rates finally providing some boost to the housing market? With another record set last week, and some positive news from last week's housing data, we could be tempted to finally say yes! Almost every housing indicator turned positive last week, and the National Association of Homebuilders' member sentiment index rose to its highest level since May 2010. While GDP was adjusted slightly downward for the 3rd quarter, some economists are expecting the 4th quarter to show a respectable improvement over the 3rd quarter.

Mortgage
Market
Commentary

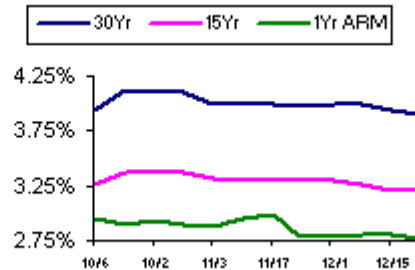
This week is a relatively light week for economic data, and with many traders on vacation, we may not see much movement in mortgage rates for the week. The most important piece of economic news will be Consumer Confidence. With equity markets moving upward at the end of last week, if Confidence comes in higher than expected, we could see mortgage rates move slightly higher. However, we are very likely to start 2011 in near-record territory, with great hopes for the New Year.

Mortgage Rates

Freddie Mac's
Primary Mortgage Market Survey

	December 22		12/15/11
30 Year Fixed	3.91%	▼	3.94%
15 Year Fixed	3.21%	↔	3.21%
One Year ARM	2.77%	▼	2.81%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.110%
12 Mn Libor	1.123%
6 Mo Libor	0.804%
11 th D. COFI	1.218%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

22-Dec	▲	%pt Chg
1.8	▲	0.5
<i>Economy Growing</i>		

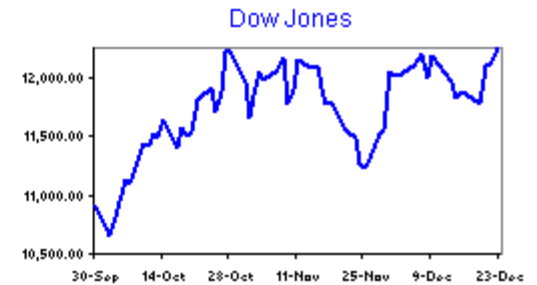
Consumer Confidence

29-Nov	▲	pt Chg
56.0	▲	15.1
<i>Confidence Dropping</i>		

Housing Starts

20-Dec	▲	% Chg
685K	▲	0.3%
<i>Starts Slowing</i>		

Dow Jones	12,294.00	NASDAQ	2,618.64
NYSE	7,518.66	S&P 500	1,265.33



Unemployment Rate

2-Dec	▼	%pt Chg
8.6%	▼	0.4
<i>Unemployment Stable</i>		

US Retail Sales

13-Dec	▲	% Chg
399.3b	▲	0.2%
<i>Sales Growing</i>		

Existing Home Sales

21-Dec	▲	% Chg
4.42m	▲	4.0%
<i>Sales Increasing</i>		

Leading Indicators (LEI)

22-Dec	▲	% Chg
118.0	▲	0.5
<i>Improving Economy</i>		

Manufacturing Activity

1-Dec	▲	pt Chg
52.7	▲	1.9
<i>Manufacturing Expanding</i>		

New Home Sales

23-Dec	▲	% Chg
315K	▲	1.6%
<i>Sales Steady</i>		

Weekly Trivia Challenge



New Year's Day falls on January 1st according to what calendar system? A) Julian B) Berber C) Gregorian D) Zoroastrian

If you know the answer to this week's Trivia Challenge, give me a call or drop me an email!

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