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For the week of Apr 07, 2008 --- Vol. 6, Issue 15

### Last Week in Review ▶

**"I KNEW THE RECORD WOULD STAND UNTIL IT WAS BROKEN." ~ Yogi Berra** A record was broken on the job front last Friday as the Labor Department reported a much worse than expected loss of 80,000 jobs in March - the greatest jobs loss reported in five years. In addition, revisions to both January and February's Jobs Report delivered an additional loss of 67,000 jobs - that's on top of the previously reported loss of 85,000 jobs for that two-month period.

And...the story might be even a bit gloomier than it already appears. The Labor Department uses a lot of averaging to help it come up with its numbers more quickly, but this practice can skew the current picture significantly. Think of it this way - and because it's now baseball season, here's a Baseball analogy - let's say that mid-way through the season, a red-hot hitter with a batting average of 340 declines into a bad slump for several weeks. While he now can't even hit a basketball thrown underhand to him, his average - while lower to 300 - is still very strong due to his previous hot performance. So someone looking at just the statistics may think that this batter is still absolutely terrific, but he is really someone the fans are booing as he approaches the plate. This is not very different from current numbers being reported by the Labor Department - previous averaging is likely causing an understating of the ACTUAL number of job losses...which somewhat masks how bad the job market really is.

This bleak Jobs Report greatly boosts the odds of not only a first-quarter recession, but perhaps a worse economic downturn than many economists fear. The Federal Reserve may respond to this increasing trend in job losses with additional interest rate cuts when they next meet to determine monetary policy on April 30 and June 25. As we've seen in the past though, such rate cuts do not translate into lower long-term rates for mortgages, so there is no better time than right now to refinance an existing mortgage or to structure a new one. Let's work together to make sure your current financing is a home run!

**SPEAKING OF HOME RUNS, ARE YOUR CREDIT CARD INTEREST RATES IN THE RIGHT BALLPARK...OR WAY OUT OF SIGHT? CHECK OUT THIS WEEK'S MORTGAGE MARKET VIEW FOR TIPS ON MAINTAINING A WINNING CREDIT CARD INTEREST RATE!**

### Forecast for the Week ▶

Another classic Yogi Berra-ism is, "I never said most of the things I said." Luckily, the Fed can't make the same claim. This coming Tuesday, the "Meeting Minutes" or open commentary of the Fed's last monetary policy meeting will be released to the public. If there are inflammatory comments, the market could respond quickly.

**Remember, when Bond prices move higher, home loan rates move lower.** And as you can see in the chart below, Bonds have rebounded higher off of their key 50-day moving average support level, and are moving back toward the upper portion of their current trading range. This means if Bond prices continue to move toward the upper boundary of the range, we could see home loan rates improve slightly.

**Chart: Fannie Mae 5.5% Mortgage Bond (Friday Apr 04, 2008)**



### The Mortgage Market View... ▶

#### TAKING AN INTEREST IN YOUR CREDIT CARD RATE...

Credit cards are one of the most pervasive forms of your financial picture. On a daily basis, they provide the flexibility and freedom to reserve a hotel room, travel without carrying cash, and purchase just about anything at anytime.

As such, your credit cards can have a major impact on your financial wellbeing and even your credit score. But did you know that your credit score can also impact your credit cards...specifically your interest rates? Although some companies have abandoned the practice, many won't hesitate to raise your interest rate if your credit score declines - even if you are paying them on time! By following these tips, you can help avoid inflated interest rates on your credit cards...and perhaps even enjoy more trips to the ballpark:

**Understand the terms.** The best way to protect yourself from high interest rates and hikes is to read and understand your credit cards policy terms. Pay particular attention to the interest rate, how long that rate is in effect, and what actions can lead to a hike - such as a late payment on your card, a declining credit score, or even a late payment on a completely unrelated bill.

**Don't be late.** Making a late payment can lead to increased interest rates on all your cards. In addition, they can lower your credit score, causing you even more problems down the road. So make a schedule and always pay on time.

**Watch the mail.** We all get junk mail, but some of it may not be junk after all. Whenever you receive any information in the mail from your credit card, read it carefully in case any policies or interest rates are changing.

**Make a call.** If your rate does change, call the company. If you've made your payments on time consistently, you may be able to get your original rate restored. If the company seems hesitant, you may want to threaten to transfer your balances to another card - customers in good standing may find they have more bargaining power

than they realize. And don't just threaten to make a change...actually do it if it makes sense. You may find the grass actually is greener on the other side.

**Be careful what you close.** Closing a card that has a current balance will likely send your interest rate soaring. In addition, closing your oldest credit cards can have a negative impact on your overall credit score. So make sure you check and double check which cards are best to close.

***To find out more about your own credit score - and what you can do to improve it - call me today. You'll be surprised how a few simple steps can make a big difference and can improve your overall financial picture.***

**The Week's Economic Indicator Calendar ▶**

**Remember, as a general rule, weaker than expected economic data is good for rates, while positive data causes rates to rise.**

**Economic Calendar for the Week of April 07 – April 11**

Date	ET	Economic Report	For	Estimate	Actual	Prior	Impact
Tue. April 08	02:00	FOMC Minutes	3/18/08				HIGH
Wed. April 09	10:30	Crude Inventories	4/05	NA		7317K	Moderate
Thu. April 10	08:30	Jobless Claims (Initial)	4/05	380K		407K	Moderate
Thu. April 10	08:30	Balance of Trade	Feb	-\$57.4B		\$-58.2B	Moderate
Fri. April 11	10:00	Consumer Sentiment Index (UoM)	Apr	69.4		69.5	Moderate

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