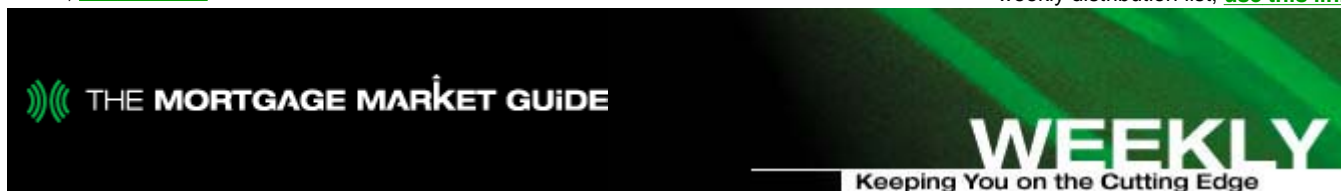


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Provided to you Exclusively
By **Foster Weeks**

Foster Weeks
Mortgage Specialist
Guarantee Mortgage
Office: 415-441-5050
Cell: 415-819-0534
Toll Free: 888-768-5626
E-Mail: fweeks@gmwest.com



For the week of May 05, 2008 --- Vol. 6, Issue 19

Last Week in Review ▶

"**KNOWLEDGE IS POWER.**" It's a phrase used by many, and last week was an important one to be in the know, as Bonds and home loan rates were affected by many big newsmakers and market shakers. Bonds and home loan rates found some improvement in the early part of the week, leading into the Fed's big announcement on Wednesday of another .25% cut to the Fed Funds Rate. Typically, Bonds and home loan rates react poorly to Fed cuts, due to the increase in economic activity that lower Fed rates can cause, which turns into higher inflation. However, the Fed's Policy Statement hinted that the present rate-cutting cycle may be nearing an end. As a result, Bonds and home loan rates reacted favorably to the Fed's action.

However, speaking of inflation, the Fed's most favored measure of it - the Core Personal Consumption Expenditure Index - arrived on Thursday, showing core inflation at 2.1%, just a whisker above the Fed's desired range for inflation of 1 to 2%. This read wasn't great news for inflation-sensitive Bonds...but the resulting market action was nothing, compared to what happened when the Jobs Report arrived on Friday morning.

Talk about a real mover and shaker...the Jobs Report brought word of 20,000 jobs lost in April, which was better than market expectations of 75,000 jobs lost. Initially, Stocks rallied higher and Bonds worsened dramatically, as the headlines were so much better than had been anticipated. But when the details of the report were unpacked, showing prior months worsening revisions - as well as a sobering realization that 20,000 jobs lost is still lousy news - the markets quickly reversed direction, helping Bonds and home loan rates improve once again. **Another ultra volatile week - and when the dust settled, home loan rates improved by about .125% overall.**

DID YOU KNOW THAT IN PARTS OF THE COUNTRY WHERE HOUSING VALUES HAVE REACHED A PLATEAU OR DECLINED...HOMEOWNERS MAY BE PAYING TOO MUCH IN PROPERTY TAXES? CHECK OUT THIS WEEK'S MORTGAGE MARKET VIEW FOR SOME POWERFUL KNOWLEDGE THAT COULD SAVE YOU HUNDREDS - OR EVEN THOUSANDS - OF DOLLARS A YEAR!

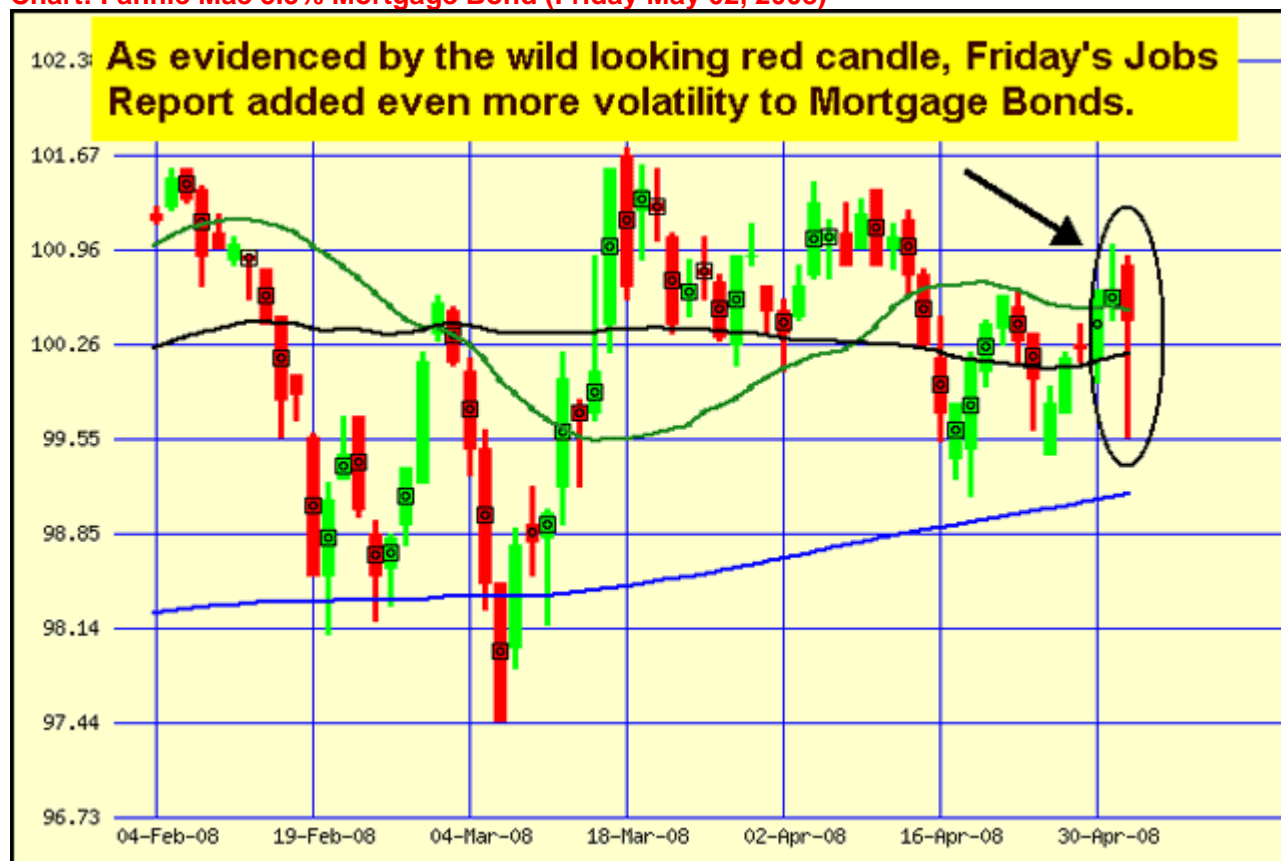
Forecast for the Week ▶

Last week's full economic news calendar led to some wild days, especially on Friday, as you can see in the chart below. But this week's economic calendar is significantly calmer, with only a few low to mid-impact reports in store, including the Institute of Supply Management (ISM) Report on Monday,

Pending Home Sales on Wednesday, and Initial Jobless Claims on Thursday.

If the news of the week tends toward being negative for the economy, Stock prices may suffer in response, and money could flow right into Bonds, which would cause home loan rates to improve. Additionally, Stocks have been in rally mode lately, and might be due to take a breather. While the coming week's economic reports aren't expected to be movers and shakers like the headlines from last week, count on me to be keeping a close watch on the market and staying in the know on your behalf in this very volatile environment.

Chart: Fannie Mae 5.5% Mortgage Bond (Friday May 02, 2008)



[The Mortgage Market View... ▶](#)

DON'T OVERPAY... FILE A PROPERTY TAX APPEAL

Property taxes seem to jump up year after year. Unfortunately, we've become so accustomed to rising taxes that it's no longer a surprise. But here's something that may surprise you. Did you know that over the last eight years, property taxes have actually outpaced even inflation? Those rising taxes - combined with the recent plateau in home values in some areas - mean you may be paying more than your fair share.

In fact, the National Taxpayers Union estimated that as many as 60% of home values were assessed too high, resulting in an incorrectly larger property tax bill.

Based on recent market activity and the rising property taxes across the country, there's a chance you may be in the group of people paying too much. In fact, homeowners in declining markets are

receiving solicitations from companies that charge up to \$250 to help lower property taxes. But with the steps below, you can work with your local County Assessor to lower property taxes for free...and save yourself the \$250!

The good news: it's easy.

First, contact your local tax assessor's office and ask for someone in the reassessment area. Find out when appeals are heard, and how the process for submitting a property tax appeal works.

Additionally, ask for a copy of your property card. Review the card and confirm that the basic information about your property is correct. For example, is the square footage and number of rooms for your home accurate? If the number is incorrect, the county may change the assessment without a formal appeal. If everything on the property card is correct but the assessed value still seems too high, your next step is to gather the following documentation to support an appeal. And don't be surprised if the assessed value is lower than what you think the market value for your home is--many counties use a formula which uses a percentage of market value to determine assessed value. Ask what the formula is... because an assessment that is less than market value still might be too high.

If you have a current appraisal that supports the value being lower using recent market-value information, many counties will accept a copy of the appraisal with the appeal. If the appraisal is outdated, you can order a new one--just call me for a referral to a great appraiser. You can also visit the local assessor's office or search online, and look through the public records for other homes that have similar features to yours, but have lower assessments. They will be able to give you current market information for your neighborhood, and help you see how your market value and assessed value stacks up against your neighbors.

Submitting an appeal is generally a fairly simple process, but make sure to take the time to fill out all forms in advance and be prepared with your documentation if there is an in-person hearing that needs to take place.

More good news...

According to the National Taxpayers Union, about 33% of property tax appeals succeed! Taking the time to review the accuracy of a tax bill could easily save you hundreds of dollars per year, adding up to thousands of dollars during the time you own your home. Please feel free to contact me for more information on this money-saving tip.

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 May 05 – May 09

Date	ET	Economic Report	For	Estimate	Actual	Prior	Imp
Mon. May 05	10:00	ISM Services Index	Apr	49.5	52.0	49.6	Mod
Wed. May 07	10:30	Crude Inventories	5/03	NA		3848K	Mod
Thu. May 08	08:30	Jobless Claims (Initial)	5/03	370K		380K	Mod

Fri. May 09 08:30 Balance of Trade Mar -\$61.3B -\$62.3B Mod

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**Foster Weeks
Guarantee Mortgage
1860 Lombard St
San Francisco, CA 94123**

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