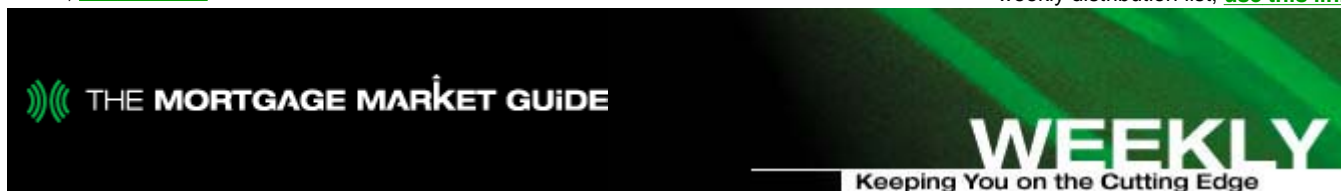


If you can't see the newsletter, or would like to view it online, [use this link](#)

If you have received this newsletter indirectly and would like to be added to our weekly distribution list, [use this link](#)



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 19, 2008 --- Vol. 6, Issue 21

Last Week in Review ▶

"It isn't hard to be good from time to time... What's tough is being good every day." Willie Mays. This past week saw both good and bad economic reports being released, which in turn set the stage for another volatile week in the Bond market. And because good economic news is typically bad news for Bonds and home loan rates, a better than expected Retail Sales Report started a rough ride for Bonds early on. Adding further upward pressure on home loan rates were some inflationary concerns expressed by Richmond Fed President Jeffrey Lacker and Cleveland Fed President Sandra Pianalto...and inflation is the arch enemy of Bonds because it erodes the buying power of the Bond's fixed payment returns to investors.

And speaking of inflation, the highly anticipated Consumer Price Index hit the wires on Wednesday. This read on consumer inflation was tamer than expected for April. Bond prices reversed course on the news and continued to improve amidst an extravaganza of economic reports, which were mostly all friendly to Bonds and home loan rates.

On Friday, the rally for Bonds continued, as Bond prices recovered all of their losses from earlier in the week. Helping fuel the rally was the worst University of Michigan's Consumer Sentiment Index in 26 years. Remember that bad economic news is good news for Bonds. And the negative sentiment is certainly a reflection of the higher food prices, spike in fuel costs, soft housing market and tightening credit conditions that all are weighing on consumers.

When the volatile, crazy week was over, **Bonds and home loan rates took in the good news with the bad news and ended the week unchanged from where they began.**

BAD ECONOMIC NEWS CAN BE GOOD FOR BONDS, BUT BECOMING THE VICTIM OF IDENTITY THEFT IS JUST BAD NEWS. IN THIS WEEK'S MORTGAGE MARKET VIEW, WE EXPLORE SOME IMPORTANT TIPS ON KEEPING YOUR IDENTITY SAFE.

Forecast for the Week ▶

Several reports are scheduled to hit the wires this week, with the potential to make for more good or bad days in the Bond Market. A big market mover may come Wednesday at 2:00pm ET, when Ben Bernanke and the Fed release the Minutes from their last meeting on April 30th. These minutes often give us greater insight as to what Bernanke and the Fed may be thinking about inflation and the state of the economy.

Remember when Bond prices move higher, home loan rates move lower...and vice versa. Despite some declines in the early part of the week, Bonds were able to rally back as you can see in the chart below. I'll be watching closely to see if Bonds can remain above the layer of resistance at the 50 and 100-Day Moving Averages.

Chart: Fannie Mae 5.5% Mortgage Bond (Friday May 16, 2008)



The Mortgage Market View... ▶

Don't Become an Identity Theft Victim...

According to recent statistics released by the U.S. Department of Justice, about 1.6 million households experience theft of existing accounts other than a credit card (such as a banking account), and 1.1 million households discover misuse of personal information (such as their social security number) annually. In addition, a recent poll revealed that "sixteen percent of adults say they have had their credit or debit card used by someone they don't know without their permission" and that "substantial numbers" of people have taken specific steps to help prevent identity theft from happening to them.

Here are some important tips for keeping your information safe and sound:

Give it to me in writing. While many of us have limited our exposure to telemarketing calls by utilizing the Do-Not-Call registry, charities are exempt from the Do-Not-Call rules. If you receive a phone call from any charity, ask the caller to send you information in the mail instead of giving out

your credit card information over the phone. If you get any resistance, just hang up. If someone isn't willing to give you the chance to review some information, they could be interested in more than earning a commission.

Just the facts. We often give unnecessary information like our date of birth and income level when we're filling out things like warranty cards for new products we've bought or supermarket club cards. Share only what's really necessary in every situation.

Navigating the Net. Never post your address or your full date of birth on any social networking sites because both are pieces of information needed to steal your identity. In addition, if you utilize internet job sites, never give a potential employer your Social Security number until they are ready to hire you. Also, thoroughly investigate companies before you submit your resume and check the privacy policies of any online job boards to make sure they won't sell your information.

The world of paper. Even though the Internet has added a whole new dimension to identity theft, there are still important steps to take when it comes to paper items. First, never keep your Social Security number in your wallet, glove compartment, and other easy-to-access places. Also, never have it printed on your checks or use it as your password. Second, when you are ready to get rid of old documents that contain important information, shred them. And last, if you have to mail something that contains sensitive information, drop the letter in a secure mailbox instead of a mailbox that anyone can open (like the kind at the end of many people's driveways).

The bottom line is this: When it comes to your personal information, share it on a need-to-know basis only!

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 19 – May 23

Date	ET	Economic Report	For	Estimate	Actual	Prior	Im
Mon. May 19	10:00	Index of Leading Econ Ind (LEI)	Apr	0.0%	0.1%	0.1%	L
Tue. May 20	08:30	Core Producer Price Index (PPI)	Apr	0.2%		0.2%	Moc
Tue. May 20	08:30	Producer Price Index (PPI)	Apr	0.4%		1.1%	Moc
Wed. May 21	10:30	Crude Inventories	5/17	NA		176K	Moc
Wed. May 21	02:00	FOMC Minutes	4/30				H
Thu. May 22	08:30	Jobless Claims (Initial)	5/17	370		371K	Moc
Fri. May 23	10:00	Existing Home Sales	Apr	4.85M		4.93M	Moc

The material contained in this newsletter has been prepared by an independent third-party provider. The content is provided for use by real estate, financial services and other professionals only and is not intended for consumer distribution. The material provided is for informational and educational purposes only and should not be construed as investment and/or mortgage advice. Although the material is deemed to be accurate and reliable, there is no guarantee it is not without errors.

As your trusted advisor, I am sending you the *MMG WEEKLY* because I am committed to keeping you updated on the economic events that impact interest rates and how they may affect you.

In the unlikely event that you no longer wish to receive these valuable market updates, please [USE THIS LINK](#) or email: fweeks@gmwest.com

If you prefer to send your removal request by mail the address is:

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

Mortgage Market Guide, LLC is the copyright owner or licensee of the content and/or information in this email, unless otherwise indicated. **Mortgage Market Guide, LLC** does not grant to you a license to any content, features or materials in this email. You may not distribute, download, or save a copy of any of the content or screens except as otherwise provided in our Terms and Conditions of Membership, for any purpose.

