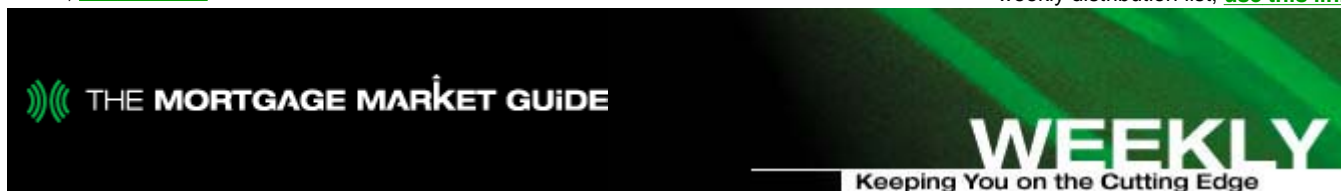


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For the week of Oct 06, 2008 --- Vol. 6, Issue 41

Last Week in Review ▶

TO PASS OR NOT TO PASS? That was indeed the question of the week...and the final answer came on Friday, as the House of Representatives followed the Senate's lead and passed the \$700 Billion rescue plan.

The week began with the House initially voting against the plan on Monday, causing Stocks to plunge in their final minutes of trading to their single worst loss in the 112-year history of the Dow Jones. However, on Wednesday, the Senate passed a revised rescue plan that included some tax breaks and an increase in FDIC protection from \$100,000 to \$250,000. This was the version the House subsequently passed and President Bush signed into law on Friday.

Why was it important for the plan to pass? Simply put, the plan frees up some of the frozen credit that consumers and small businesses across the country need to survive. As examples, even auto loans were becoming harder for consumers to qualify for...and on the business side, many retail operations have had difficulty in financing their inventory. Credit issues like these are not good for the economy, confidence, and consumer spending, and the rescue plan was passed to help matters.

In other news from Friday, the Labor Department reported that 159,000 jobs were lost in September, which is much worse than the 105,000 lost jobs that economists were expecting. So far in 2008, we have lost 760,000 jobs. And while Bonds and home loan rates would have typically improved on this weak economic news (remember weak economic news usually causes money to flow from Stocks into Bonds, helping home loan rates improve), talk that the Fed and other Central Banks around the world may start cutting their benchmark rates kept Bonds and home loan rates from making a big improvement. Remember, a cut in the Fed Funds Rate is inflationary, and therefore bad for Bonds and home loan rates.

When all was said, done and passed during this incredibly volatile and historic week, **Bonds and home loan rates ended the week only slightly improved from where they began.** I will continue to monitor this situation closely in the days and weeks ahead.

JUST WHEN YOU THOUGHT YOU HAD A HANDLE ON PROTECTING YOUR IDENTITY...THERE'S A BRAND NEW KIND OF IDENTITY THEFT IN TOWN. THIS WEEK'S MORTGAGE MARKET VIEW GIVES YOU THE SCOOP, AS WELL AS TIPS TO PROTECT YOURSELF - SO DON'T LET THIS OPPORTUNITY TO STAY SAFE PASS YOU BY!

Forecast for the Week ▶

With a light schedule of economic reports on the calendar this week, the financial news and headlines will likely have the biggest impact on the markets this week - particularly as we see how the markets react to the newly signed rescue bill. In addition, late breaking news from last week that Wells Fargo will acquire Wachovia, undoing a prior deal that had Citigroup acquiring Wachovia, and that Citigroup may file a lawsuit, could impact the markets as well.

Another big news item will be the Meeting Minutes of the September 16 Fed meeting, which will be released on Tuesday. If these Minutes give evidence that the Fed may cut rates at its next meeting on October 28-29, Bonds and home loan rates could worsen due to the inflationary implications.

Remember when Bond prices move higher, home loan rates move lower...and vice versa. **As you can see in the chart below, Bonds and home loan rates managed to remain above an important floor of support.** It will be important to see if this floor of support can hold through any new news or possible hints of inflation.

Chart: Fannie Mae 5.5% Mortgage Bond (Friday Oct 03, 2008)



The Mortgage Market View... ▶

Medical Identity Theft

With identity theft on the rise these days, most of us are already taking steps to protect ourselves. But did you know that there's now a growing form of identity theft known as "medical identity theft" that can not only devastate victims' finances, but also compromise their health, too. According to Joy Pritts, JD, author of *Your Medical Record Rights*, here's what you need to know.

What is Medical Identity Theft?

Medical identity theft occurs when criminals access victims' medical records. Since medical records contain a person's social security number and credit card information (if bills have been paid via credit card), criminals can open accounts and make fraudulent charges. However, criminals also gain access to victims' health insurance policy information and medical histories, and they can create forged health insurance cards to sell to people who are uninsured and need expensive medical treatment. A person who buys a fake health insurance ID card would then seek treatment using the victim's name and policy number, and then disappear, leaving the victim with the bills to pay.

Why Should You Be Concerned?

Victims of medical identity theft not only have to repair their credit and convince credit agencies and service providers that bills are fraudulent, they also have to correct inaccurate medical information that becomes part of their health records. Victims could be denied life insurance or individual health insurance if their record shows treatments that they did not have. In addition, victims could receive treatments or medicines that could be harmful to them on the basis of inaccurate content in their medical records.

Steps to Take if You Suspect a Medical Identity Theft

1. Read all bills and "Explanation of Benefits" statements from your insurance company to verify they are for treatment you received.
2. If a bill or statement refers to treatment you did not receive, contact the employee in charge of investigating fraud at your insurance company and at the medical facility involved and explain the situation. Follow up with a letter sent via registered mail with return receipt once again explaining the situation, asking for any bills to be voided, and asking that your medical record be amended to state that you did not have this health problem or receive this treatment.
3. Report the identity theft to the police department and state's attorney general's office.
4. Contact the health care providers you use, explain the situation, ask if the erroneous information has been added to the providers' records, and if so, ask them to correct the records.
5. Report the fraud to the major credit bureaus and set up fraud alerts. Also, request free copies of your credit reports to make sure no new fraudulent accounts have been opened.
6. Review your medical records every few years to make sure there are no errors.

To learn more about your medical record rights, visit <http://ihcrp.georgetown.edu/privacy/records.html>.

The Week's Economic Indicator Calendar ▶

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

Economic Calendar for the Week of October 06 – October 10

Date	ET	Economic Report	For	Estimate	Actual	Prior	Im
Tue. October 07	02:00	FOMC Minutes	Sept 16				H
Wed. October 08	10:30	Crude Inventories	10/4	NA	4287K		Moc
Thu. October 09	08:30	Jobless Claims (Initial)	10/4	NA	497K		Moc
Fri. October 10	08:30	Balance of Trade	Aug	-\$60.0B	-\$62.2B		Moc

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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.

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