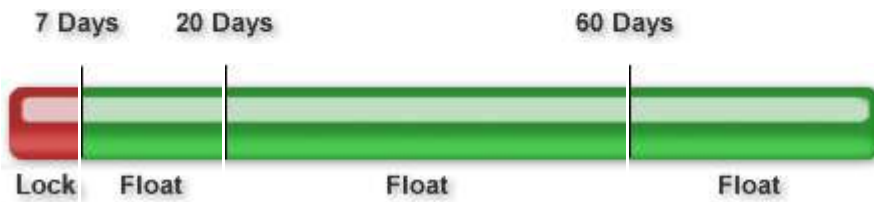


Rate Lock Advisory - Friday Sep. 9th



Friday's bond market is in positive territory due to sizable losses in stocks. The stock markets are reacting to renewed concerns about overseas financial issues and not necessarily last night's speech by President Obama. The Dow is currently down 278 points while the Nasdaq has lost 52 points. The bond market is currently up 8/32, which will likely improve this morning's mortgage rates by approximately .125 of a discount point.

There is no relevant economic data being posted today, so look for the stock markets to have the biggest influence on this afternoon's bond trading and mortgage pricing. If the major stock indexes extend their current losses, we may see the bond market move higher and mortgage rates improve slightly. On the other hand, a stock rebound that recovers a good portion of this morning's losses could lead to weaker bond trading this afternoon.

Yesterday's two speeches came and went without a whole lot of fanfare in the markets. Fed Chairman Bernanke's speech yesterday afternoon in Minnesota did lead to some afternoon volatility in the markets, particularly stocks. His words had a negative impact on stocks because he failed to give any specifics about what the Fed may do to boost economic activity. He simply referenced the upcoming FOMC meeting (September 20 & 21) as a discussion date for what the Fed may do. This did not come as a complete surprise, but the stock markets seemed to be disappointed that something more substantive was not mentioned. That led to stock prices dropping during afternoon trading yesterday.

President Obama's speech to Congress last night doesn't seem to have much influence on today's markets. There is some question about his ability to get the \$450 billion proposal to boost payroll numbers approved in a timely manner. The fact that is basically funded by payroll tax cuts should help boost its chances, but it still appears to fall short of the fix-all that some were hoping to hear. This is evident in this morning's relatively calm morning in bond trading.

Next week is fairly busy in terms of important economic releases, but most of it comes the middle part of the week. There is no relevant economic data scheduled for release Monday or Tuesday, however, Wednesday and Thursday have three highly important reports being posted. In addition to the economic releases, there are Treasury auctions Tuesday and Wednesday that carry enough significance to influence mortgage rates. Therefore, it appears that we are looking at a fairly active week for mortgage rates. Next week's events will be detailed in Sunday's weekly preview.

If I were considering financing/refinancing a home, I would.... Lock if my closing was taking place within 7 days... Float if my closing was taking place between 8 and 20 days... Float if my closing was taking place between 21 and 60 days... Float if my closing was taking place over 60 days from now... This is only my opinion of what I would do if I were financing a home. It is only an opinion and cannot be guaranteed to be in the best interest of all/any other borrowers.