



### Consumer Sentiment Continues Climb:



The willingness to "pull the trigger" on a home purchase has more to do with how a home buyer feels about their own financial stability and their view of the economy than any other factor.

So, it is good news for the housing industry to see the Thomson Reuters/University of Michigan's Consumer Sentiment Index continuing to climb upward from our lows of last summer.

The reading of 75.3 was a slight improvement from the prior month and the highest reading in a year. It also continues the trend of improving consumer sentiment since our lowest readings in August 2011.

A third of consumers spontaneously reported hearing about more job opportunities, the highest proportion ever recorded by the survey. The U.S. jobless rate unexpectedly fell to a three-year low in January, stoking hopes the labor market is healing.

### What Happened to Rates Last Week?



We had a rough start to the holiday-shortened week with the highest mortgage rates on Tuesday afternoon in reaction to the approval of the second Greek bailout.

But the market reversed course for the rest of the week which helped to pull mortgage rates back down.

MBS rallied on a very strong 7 year U.S. Treasury auction and amid concerns that the magical Greek bailout package would not be enough to stem the tide of financial weakness in Europe.

Brought to you by:



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## What to Watch Out For This Week:

The following are the major economic reports that will hit the market this week. They each have the ability to affect the pricing of Mortgage Backed Securities and therefore, interest rates for Government and Conventional mortgages.

Date	Time	Economic Report	Actual	Cons. Estimate	Prior
27-Feb	10:00 AM	Pending Home Sales	-	1.00%	- 3.50%
28-Feb	8:30 AM	Durable Orders	-	-1.40%	3.00%
28-Feb	8:30 AM	Durable Orders -ex Transportation	-	0.20%	2.20%
28-Feb	9:00 AM	Case-Shiller 20-city Index	-	-3.60%	- 3.70%
28-Feb	10:00 AM	Consumer Confidence	-	62.5	61.1
29-Feb	7:00 AM	MBA Mortgage Index	-	NA	- 4.50%
29-Feb	7:00 AM	MBA Mortgage Purchase Index	-	NA	- 4.50%
29-Feb	8:30 AM	GDP - Second Estimate	-	2.80%	2.80%
29-Feb	8:30 AM	GDP Deflator - Second Estimate	-	0.40%	0.40%
29-Feb	9:45 AM	Chicago PMI	-	60	60.2
29-Feb	10:30 AM	Crude Inventories	-	NA	1.633M
29-Feb	2:00 PM	Fed's Beige Book	-	-	-
1-Mar	8:30 AM	Initial Claims	-	355K	351K
1-Mar	8:30 AM	Continuing Claims	-	3425K	3392K
1-Mar	8:30 AM	Personal Income	-	0.40%	0.50%
1-Mar	8:30 AM	Personal Spending	-	0.30%	0.00%
1-Mar	8:30 AM	PCE Prices - Core	-	0.20%	0.20%
1-Mar	10:00 AM	ISM Index	-	54.5	54.1
1-Mar	10:00 AM	Construction Spending	-	1.00%	1.50%
1-Mar	2:00 PM	Auto Sales	-	NA	5.00M
1-Mar	2:00 PM	Truck Sales	-	NA	5.73M

I will be watching these reports closely for you and let you know if there are any big surprises:

It is virtually impossible for you to keep track of what is going on with the economy and other events that can impact the housing and mortgage markets. Just leave it to me, I monitor the live trading of Mortgage Backed Securities which are the only thing government and conventional mortgage rates are based upon.

### Quote of the week:

“ consumers expect the pace of overall economic growth to continue to slowly restore lost jobs despite these potential problems

Richard Curtin, survey director - University of Michigan's Consumer Sentiment Index