

Mortgage deal saves the day for Wall Street

Stocks end mostly higher

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NEW YORK — A deal to help head off more mortgage foreclosures pulled Wall Street out of a slump Thursday, giving stocks a mostly higher close.

Democratic lawmakers reached an agreement with Citigroup Inc. on a plan to let bankruptcy judges alter loans in an effort to prevent home from going into foreclosure. Other lenders are expected to follow suit.

Wall Street traded lower for much of the session after a profit warning from Wal-Mart Stores Inc. intensified fears that

consumers are even worse off than thought. Their reluctance to spend — evident in Thursday's retail sales reports from many of the nation's biggest merchants — could make it harder for the nation to recover from the recession.

The Dow Jones industrial average had a modest drop of 27.24, ending at 8,742.46. The technology-focused Nasdaq composite index rose 17.95 to 1,617.01, the Standard & Poor's 500 index rose 3.08 to 909.73, and the Russell 2000 index gained 4.91 to close at 502.01.

"Instead of people selling into the rallies,

they're starting to buy into the dips," said Bill Groenveld, head trader for vFinance Investments, referring to the market's shift away from the panic that dominated trading in the fall.

The agreement between Citigroup and Sens. Richard Durbin, Charles Schumer and Christopher Dodd raised hopes that the steep downturn in the housing market that has badly hurt consumer spending and the overall economy could be halted.

The lending industry had fought the concept, saying it would force lenders to raise mortgage rates.

Housing stocks rose on the news.