



Linda's Mortgage Update

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**Week of
May 2,
2010**

**Mortgage
Market
Commentary**

Mortgage rates continued to remain fairly flat last week, even as the recovery seemed to solidify its footing. The Federal Reserve left interest rates unchanged, as expected. The accompanying policy statement did note that "economic activity has continued to strengthen and that the labor market is beginning to improve." While the Fed believes that it will keep interest rates low for an "extended period" of time, it is worth noting that interest rates below 1.0% can be considered low. With the Fed Funds rate at 0.25%, the Fed could begin lifting rates at any time. GDP came in at 3.2%, the third quarter in a row in positive territory.

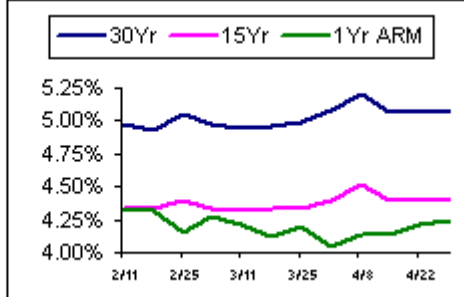
Two reports will probably dominate this week's economic news: the ISM Manufacturing Index, and the Employment Report. If the ISM Index climbs above 60 and unemployment shrinks with more than 200,000 jobs created last month, we could see mortgage rates moving upward. However, even very positive reports will continued to be tempered by international concerns over Greece's bailout.

Mortgage Rates

**Freddie Mac's
Primary Mortgage Market Survey**

	April 29		4/22/10
30 Year Fixed	5.06%	▼	5.07%
15 Year Fixed	4.39%	↔	4.39%
One Year ARM	4.25%	▲	4.22%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.440%
12 Mn Libor	1.016%
6 Mo Libor	0.531%
11 th D. COFI	1.614%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

14-Apr	▼	%pt Chg
3.2		2.4
<i>Economy Growing</i>		

Consumer Confidence

27-Apr	▲	pt Chg
57.9		5.6
<i>Confidence Improving</i>		

Housing Starts

16-Apr	▲	% Chg
626K		1.6%
<i>Slowing Stabilizing</i>		

Dow Jones 11,008.61 **NASDAQ** 2,461.19

NYSE 7,474.40 **S&P 500** 1,186.68

Unemployment Rate

2-Apr	↔	%pt Chg
9.7%		0.3
<i>Unemployment Stabilizing</i>		

US Retail Sales

15-Apr	▲	% Chg
363.2b		1.6%
<i>Sales Stabilizing</i>		

Existing Home Sales

22-Apr	▲	% Chg
5.35m		6.8%
<i>Sales Slowing</i>		



Leading Indicators (LEI)

19-Apr	▲	% Chg
109.6		1.4
<i>Economy Stabilizing</i>		

Manufacturing Activity

1-Mar	▲	pt Chg
59.6		3.1
<i>Manufacturing Expanding</i>		

New Home Sales

23-Apr	▲	% Chg
411K		26.9%
<i>Slowing Stabilizing</i>		

Worth Remembering



To think that you are not going to fail is an illusion. Fail faster; you will only be closer to what you want.

Unknown

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