



Linda's Mortgage Update

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**Week of
May 16,
2010**

**Mortgage
Market
Commentary**

Mortgage rates again moved downward last week, as financial markets continued to absorb the reality of the challenges in Europe, especially in Greece. Additionally, concerns over other countries' debt levels generated some introspection here over our burgeoning debt levels. On a brighter note, economic news continues to point toward recovery. Last week, Retail Sales rose 0.4%, which was slightly better than expected. Industrial Production also climbed by 0.8%, with factory usage again moving closer to pre-recession levels, fueling hopes for a sustained recovery.

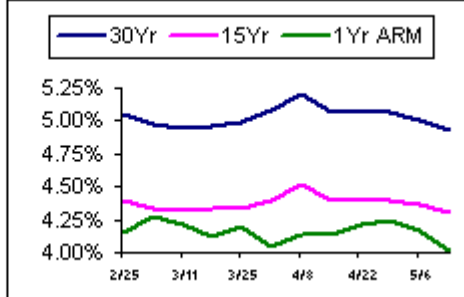
Next week, markets will get some insight into inflationary pressures with both the Consumer and Producer Prices Indices. With most experts expecting very little, if any, inflation, a surprise increase in either index could move mortgage rates upward. Even with more and more signs of economic strength here in the US, any additional concerns regarding the situation in European will very likely help contain any sizable increase in mortgage rates, at least for the time being.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	<u>May 13</u>		<u>5/6/10</u>
30 Year Fixed	4.93%	▼	5.00%
15 Year Fixed	4.30%	▼	4.36%
One Year ARM	4.02%	▼	4.17%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.390%
12 Mn Libor	1.106%
6 Mo Libor	0.635%
11 th D. COFI	1.859%
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	10,620.16	NASDAQ	2,346.85
NYSE	7,077.64	S&P 500	1,135.68

Unemployment Rate

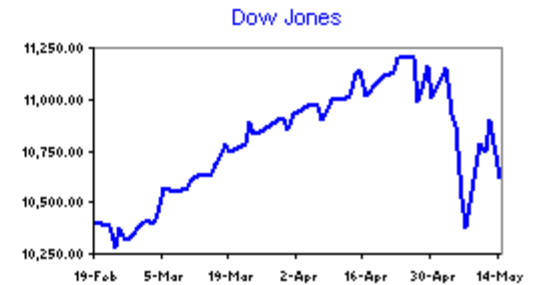
7-May	▲	%pt Chg
9.8%		0.1
<i>Unemployment Stabilizing</i>		

US Retail Sales

14-May	▲	% Chg
366.4b		0.4%
<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

3-May	▲	pt Chg
60.4		0.8
<i>Manufacturing Expanding</i>		

New Home Sales

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

Worth Remembering



If you don't want to work you have to work to earn enough money so that you won't have to work.

Ogden Nash

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