



Linda's Mortgage Update

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**Week of
July 18,
2010**

**Mortgage
Market
Commentary**

Mortgage rates continued to remain at historically-low levels last week as we slog through the traditional summer doldrums for financial markets. Last week, the Fed released the minutes from its last meeting. As expected, there were discussions of lower expectations for economic growth over the coming months. The Fed also revealed that it had some trouble in finding desirable MBS products to purchase as it finished up its \$1.25 trillion plan. However, the Fed also is beginning to examine the best plans for unloading the massive portfolio it has accumulated over the last few years.

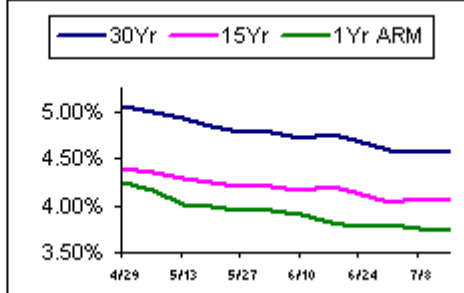
This week holds limited economic data for the market to digest. However, Fed Chair, Ben Bernanke, will be testifying before Congress this week. If he can present a sense of confidence for the economy moving forward, especially as we enter a period of slower growth, we could see some upward movement on mortgage rates. In any case, with such limited inflationary pressures in the marketplace right now, we should see low rates for the remainder of the summer, at least.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	July 15		7/8/10
30 Year Fixed	4.57%	↔	4.57%
15 Year Fixed	4.06%	▼	4.07%
One Year ARM	3.74%	▼	3.75%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.310%
12 Mn Libor	1.380%
6 Mo Libor	1.114%
11 th D. COFI	1.791%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

25-Jun	▼	%pt Chg
2.7		3.0
<i>Economy Growing</i>		

Consumer Confidence

29-Jun	▼	pt Chg
52.9		9.8
<i>Confidence Slipping</i>		

Housing Starts

16-Jun	▼	% Chg
593K		10.0%
<i>Slowing Stabilizing</i>		

Dow Jones	10,097.90	NASDAQ	2,179.05
NYSE	6,709.51	S&P 500	1,064.88

Unemployment Rate

4-Jun	▼	%pt Chg
9.5%		0.2
<i>Unemployment Stabilizing</i>		

US Retail Sales

11-Jun	▼	% Chg
360.0b		0.5%
<i>Sales Slowing</i>		

Existing Home Sales

22-Jun	▼	% Chg
5.66m		2.2%
<i>Sales Stabilizing</i>		



Leading Indicators (LEI)

17-Jun	▲	% Chg
109.9		0.4
<i>Economy Stabilizing</i>		

Manufacturing Activity

1-Jul	▼	pt Chg
56.2		3.5
<i>Manufacturing Expanding</i>		

New Home Sales

23-Jun	▼	% Chg
300K		32.7%
<i>Sales Shrinking</i>		

Worth Remembering



The problem with the world's problem's today is not so much the problems, but our answers.

Chase Streetman

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