



# Linda's Mortgage Update

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**Week of  
Aug. 1,  
2010**

**Mortgage  
Market  
Commentary**

Mortgage rates again set record lows, as the deceleration in economic growth become clearer last week. The Fed's Beige Book noted increased economic growth, but characterized it as "modest." GDP numbers for the first quarter of 2010 were revised upward to 3.7%, which under more normal conditions might have put some upward pressure on mortgage rates. However, the "advance" second quarter GDP reading came in at 2.4%, highlighting that the recovery is continuing to lose steam.

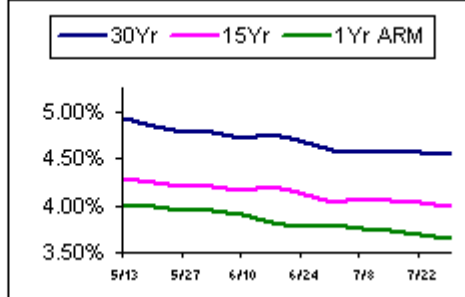
This week contains a few very significant pieces of economic data for markets to digest. The week starts with the release of the ISM Manufacturing Index. While the index is expected to remain above 50, which indicates that manufacturing is expanding, the index continues to fall. Some fear that it will drop below 50 in the coming months. The week will end with July's employment data, which is expected to highlight that the labor market is not recovering. With the economy struggling and inflation remaining tomorrow's problem, we could see rates at record lows for some time to come.

## Mortgage Rates

### Freddie Mac's Primary Mortgage Market Survey

	July 29		7/22/10
30 Year Fixed	4.54%	▼	4.56%
15 Year Fixed	4.00%	▼	4.03%
One Year ARM	3.64%	▼	3.70%

For more information visit [www.FreddieMac.com](http://www.FreddieMac.com)



### Rates & Indexes

1 Yr T-Bill	0.270%
12 Mn Libor	1.037%
6 Mo Libor	0.668%
11 <sup>th</sup> D. COFI	1.791%
Prime	3.250%
Fed Fund	0.250%

## Economic Snapshot

### Gross Domestic Product

25-Jun	▼	%pt Chg
2.4		1.3%
<i>Economy Growing</i>		

### Consumer Confidence

27-Jul	▼	pt Chg
50.4		3.9
<i>Confidence Slipping</i>		

### Housing Starts

20-Jul	▼	% Chg
549K		5.0%
<i>Sales Slowing</i>		

<b>Dow Jones</b>	10,465.94	<b>NASDAQ</b>	2,254.70
<b>NYSE</b>	6,998.99	<b>S&amp;P 500</b>	1,101.60

### Unemployment Rate

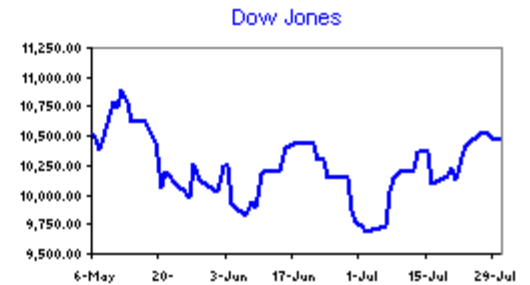
4-Jun	▼	%pt Chg
9.5%		0.2
<i>Unemployment Stabilizing</i>		

### US Retail Sales

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

### Existing Home Sales

22-Jul	▼	% Chg
5.37m		5.1%
<i>Sales Slowing</i>		



### Leading Indicators (LEI)

17-Jun	▼	% Chg
109.8		0.2
<i>Economic Growth Slowing</i>		

### Manufacturing Activity

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

### New Home Sales

26-Jul	▲	% Chg
330K		23.6%
<i>Sales Slowing</i>		

### Worth Remembering



Even on the most exalted throne in the world we are only sitting on our own bottom.

Michel de Montaigne

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