



Linda's Mortgage Update

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**Week of
Aug. 29,
2010**

**Mortgage
Market
Commentary**

Rates moved downward again last week, with economic news highlighting the slowing of this current economic recovery. GDP for last quarter was adjusted downward to 1.6%. While any growth is a positive sign, the continued adjustments downward have left many predicting that we are heading into a double-dip recession. Markets were cheered this week by Fed Chair Bernanke's speech at an Economic Symposium in Jackson Hole, Wyoming. He detailed the Fed's disappointment with the slowdown in economic growth. More importantly, he reassured the market that he has plenty of tools left to ward off a double-dip recession, or a deflationary environment.

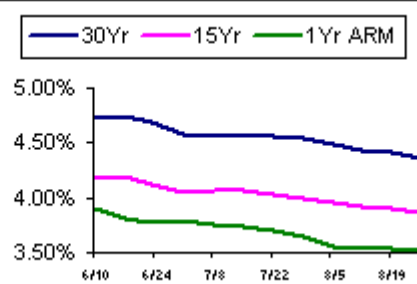
This week is jam-packed with economic news and data for markets to digest. We'll get both the ISM Manufacturing and ISM Services Index, Consumer Confidence, and the Employment Report. The potential for rates to move downward is not very significant given their current levels. However, if we get some very depressing news or data, we could see mortgage rates move slightly downward.

Mortgage Rates

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

	<u>August 26</u>		<u>8/19/10</u>
30 Year Fixed	4.36%	▼	4.42%
15 Year Fixed	3.86%	▼	3.90%
One Year ARM	3.52%	▼	3.53%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.250%
12 Mn Libor	0.858%
6 Mo Libor	0.503%
11 th D. COFI	1.797%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

13-Aug ▼ %pt Chg
1.6 2.1%
Economy Growing

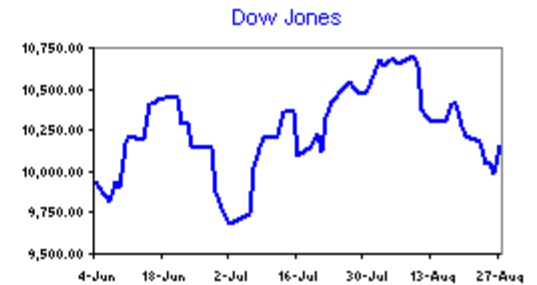
Consumer Confidence

27-Jul ▼ pt Chg
50.4 3.9
Confidence Slipping

Housing Starts

17-Aug ▲ % Chg
546K 1.7%
Sales Slowing

Dow Jones 10,150.65 **NASDAQ** 2,173.48
NYSE 6,861.04 **S&P 500** 1,079.25



Unemployment Rate

6-Aug ↔ %pt Chg
9.5% 0.2
Unemployment Stabilizing

US Retail Sales

13-Aug ▲ % Chg
362.7b 0.4%
Sales Slowing

Existing Home Sales

25-Aug ▼ % Chg
3.83m 27.2%
Sales Slowing

Leading Indicators (LEI)

19-Aug ▲ % Chg
109.8 0.1
Economic Growth Slowing

Manufacturing Activity

1-Aug ▼ pt Chg
55.5 0.7
Manufacturing Expanding

New Home Sales

24-Aug ▼ % Chg
276K 12.4%
Sales Slowing

Worth Remembering



The tragedy of life does not lie in not reaching your goals, the tragedy lies in not having any goals to reach.

Benjamin Mays

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