



Linda's Mortgage Update

The fastest, simplest, most convenient way home!

**Week of
Dec. 26,
2010**

**Mortgage
Market
Commentary**

As expected, mortgage rates were mostly unchanged last week as we rolled into the Christmas holiday. This end-of-year run up in mortgage rates has some people nervous that we are finally going to see rates climbing back to higher levels over the next few months. While we are seeing signs of a strengthening economy, we are yet to see enough economic steam being generated to actually heat up inflationary pressures to a level that would push mortgage rates too much higher in the near term. Ultimately, we will need to have both the housing and labor markets in significantly better shape before we see strong, ongoing economic growth in the United States.

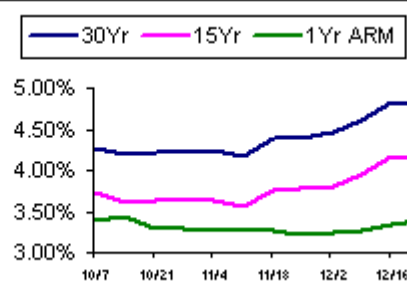
This week is a fairly light week in terms of economic news, with only one major report due. Tuesday's Consumer Confidence report is expected to show another small uptick. If this comes to pass, we might see mortgage rates moving slightly upward. However, if financial markets remain fairly calm this week, we could see rates move just slightly downward as we head into the New Year.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	December 23		12/16/10
30 Year Fixed	4.81%	▼	4.83%
15 Year Fixed	4.15%	▼	4.17%
One Year ARM	3.40%	▲	3.35%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.300%
12 Mn Libor	0.783%
6 Mo Libor	0.457%
11 th D. COFI	1.654%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

22-Dec ▲ %pt Chg
2.6 0.9
Economy Growing

Consumer Confidence

30-Nov ▲ pt Chg
54.1 4.2
Confidence Weak

Housing Starts

17-Nov ▼ % Chg
519K 11.7%
Sales Slowing

Dow Jones 11,573.49 **NASDAQ** 2,665.60

NYSE 7,925.36 **S&P 500** 1,256.77

Dow Jones



Unemployment Rate

3-Dec ▲ %pt Chg
9.8% 0.2
Unemployment Stabilizing

US Retail Sales

14-Dec ▲ % Chg
378.7b 0.8%
Sales Growing

Existing Home Sales

22-Dec ▲ % Chg
4.68m 5.6%
Sales Slowing

Leading Indicators (LEI)

17-Dec ▲ % Chg
112.4 1.1
Improving Economy

Manufacturing Activity

1-Dec ▼ pt Chg
56.6 0.3
Manufacturing Expanding

New Home Sales

23-Dec ▲ % Chg
290K 5.5%
Sales Slowing

Worth Remembering



Compromise: The art of dividing a cake in such a way that everybody believes he got the biggest piece.

Sherry Rothfield

Linda Hancock

850-747-1620 Cell

850-747-1650 Fax

Linda.Hancock@mortgagefamily.com