



Linda's Mortgage Update

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**Week of
Sept. 12,
2010**

**Mortgage
Market
Commentary**

After weeks of falling, mortgage rates actually moved slightly upward last week. While there was little economic news to cheer about, some technical pressures did push rates a bit higher. The Fed's Beige Book did show continued economic growth, with widespread deceleration.

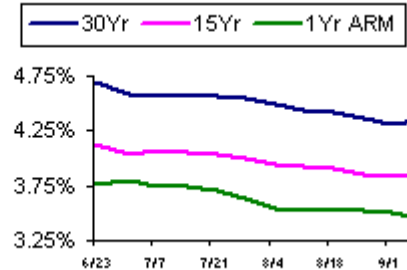
This week could be a very busy week for financial markets. There are a number of economic reports that could move rates either way. The week starts with Retail Sales data, and expectations are for a slightly muted level of growth. While consumer borrowing continues to soften, we are seeing a willingness to spend cash. A larger-than-expected increase in sales could lead to continued upward movement in rates. Industrial Production numbers ticked unexpectedly higher last month, and other month of significant growth would certainly help justify an upward movement in rates. Both the Producer and Consumer Price Indices are also due this week. If we see a drop in either core reading, we could see rates dip just slightly as the week comes to an end.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

| | September 9 | | 9/2/10 |
|---------------|-------------|---|--------|
| 30 Year Fixed | 4.35% | ▲ | 4.32% |
| 15 Year Fixed | 3.83% | ↔ | 3.83% |
| One Year ARM | 3.46% | ▼ | 3.50% |

For more information visit www.FreddieMac.com



Rates & Indexes

| | |
|--------------------------|--------|
| 1 Yr T-Bill | 0.250% |
| 12 Mn Libor | 0.822% |
| 6 Mo Libor | 0.490% |
| 11 th D. COFI | 1.753% |
| Prime | 3.250% |
| Fed Fund | 0.250% |

Economic Snapshot

Gross Domestic Product

| | | |
|------------------------|---|---------|
| 13-Aug | ▼ | %pt Chg |
| 1.6 | | 2.1% |
| <i>Economy Growing</i> | | |

Consumer Confidence

| | | |
|------------------------|---|--------|
| 31-Aug | ▲ | pt Chg |
| 53.5 | | 2.5 |
| <i>Confidence Weak</i> | | |

Housing Starts

| | | |
|----------------------|---|-------|
| 17-Aug | ▲ | % Chg |
| 546K | | 1.7% |
| <i>Sales Slowing</i> | | |

| | | | |
|------------------|-----------|--------------------|----------|
| Dow Jones | 10,462.77 | NASDAQ | 2,242.48 |
| NYSE | 7,067.51 | S&P 500 | 1,109.55 |

Unemployment Rate

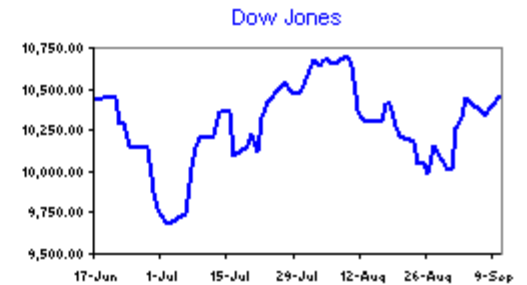
| | | |
|---------------------------------|---|---------|
| 3-Sep | ↔ | %pt Chg |
| 9.6% | | 0.2 |
| <i>Unemployment Stabilizing</i> | | |

US Retail Sales

| | | |
|----------------------|---|-------|
| 13-Aug | ▲ | % Chg |
| 362.7b | | 0.4% |
| <i>Sales Slowing</i> | | |

Existing Home Sales

| | | |
|----------------------|---|-------|
| 25-Aug | ▼ | % Chg |
| 3.83m | | 27.2% |
| <i>Sales Slowing</i> | | |



Leading Indicators (LEI)

| | | |
|--------------------------------|---|-------|
| 19-Aug | ▲ | % Chg |
| 109.8 | | 0.1 |
| <i>Economic Growth Slowing</i> | | |

Manufacturing Activity

| | | |
|--------------------------------|---|--------|
| 1-Sep | ▲ | pt Chg |
| 56.3 | | 0.8 |
| <i>Manufacturing Expanding</i> | | |

New Home Sales

| | | |
|----------------------|---|-------|
| 24-Aug | ▼ | % Chg |
| 276K | | 12.4% |
| <i>Sales Slowing</i> | | |

Worth Remembering



Make yourself an honest man, and then you may be sure that there is one less scoundrel in the world.

Thomas Carlyle

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