



R. Noel Livingstone's Weekly Mortgage Newsletter



Customer Service with a Personal Touch

**Week of
Oct. 17,
2010**

Mortgage Market Commentary

Mortgage rates trended to new lows again last week as economic concerns and potential Fed actions weighed on the market. While some pundits still talk of deflationary fears, there is little foundation for those concerns at this time. Both the Producer and Consumer Price Indices registered minimal inflation again last month, but again, both revealed some inflation in the marketplace. Additionally, recent increases in commodity prices may put slightly more upward pressure on prices in coming months. However, the low level of inflation is allowing interest rates to continue to creep downward, until some thing triggers more expansive economic growth which in turn would likely spark additional inflationary pressures, driving interest rates up. The week did end with some positive retail sales data, but that may not be enough to push rates up much.

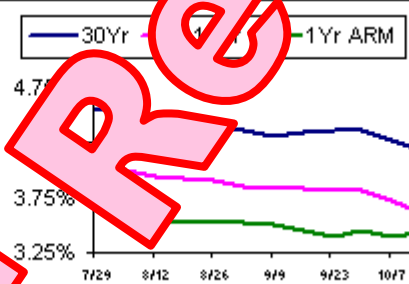
This week, we are likely to see rates stay at very low levels with only one major piece of economic data due. If Industrial Production comes in close to expectations, rates will likely be unchanged.

Mortgage Rates

Freddie Mac's Primary Mortgage Market Survey

	October 14	10/7/10
30 Year Fixed	4.19% ▼	4.27%
15 Year Fixed	3.62% ▼	3.72%
One Year ARM	3.43% ▲	3.40%

For more information visit www.FreddieMac.com



Rates & Indexes

1 Yr T-Bill	0.240%
12 Mn Libor	0.767%
6 Mo Libor	0.453%
11 th D. COFI	1.713%
Prime	3.250%
Fed Fund	0.250%

Economic Snapshot

Gross Domestic Product

30-Sep	▼	%pt Chg	2.0
1.7			
Economy Growing			

Consumer Confidence

28-Sep	▼	% Chg	0.0
48.5			
Confidence Growing			

Housing Starts

5-Sep	▲	% Chg	10.5%
598K			
Sales Slowing			

Dow Jones

11,062.78

NYSE

7,520.60

NASDAQ 2,468.77

S&P 500 1,176.19

Dow Jones



Unemployment Rate

8-Oct	↔	%pt Chg	0.0
9.6%			
Unemployment Stabilizing			

US Retail Sales

15-Oct	▲	% Chg	0.6%
367.7B			
Sales Growing			

Existing Home Sales

23-Sep	▲	% Chg	7.6%
4.13m			
Sales Slowing			

Leading Indicators (LEI)

23-Sep	▲	% Chg	0.3
110.2			
Economic Growth Slowing			

Manufacturing Activity

23-Sep	▲	pt Chg	1.9
100.0			
Manufacturing Expanding			

New Home Sales

24-Sep	↔	% Chg	12.4%
288K			
Sales Slowing			

Bonehead of the Week

A "too dumb to be a crime" bonehead award goes to Jimmy Honeycutt of Wintuck, FL. Honeycutt was pulled over by police for driving a car matching the description of a crime vehicle in a local robbery. Honeycutt was asked to stop the car and was searched by police. Officers found a number of pages torn out of a phone book in his pocket with asterisks by some of the business. Unfortunately, each of the marked business had recently been robbed, and police knew they had their man! - AP

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