



As requested, I'm keeping a close watch on mortgage rates for you.

Thanks for giving me this opportunity to help. As you requested, I'm letting you know that mortgage rates changed today. If you're in a variable rate mortgage, this fluctuation in rates may have an impact on your family budget and future financial plans. As your Mortgage Specialist, I'd be happy to sit down with you, analyze your current situation and discuss what actions you might want to take. Please feel free to contact me anytime.

The following table gives you an idea of the range of rates currently available. Remember, all rates are subject to change without notice. Rest assured I'll update you of the next rate change as soon as it happens!

Rates as of Friday, July 30, 2010

Bank Prime	5 Yr Bonds	1 Yr Fixed	5 Yr Fixed	5 Yr Variable
2.75%	2.36%	2.90%	4.29%	2.15%

Please talk to me to see if these rates are still current and applicable to your specific situation. Although we strive for accuracy, timeliness and completeness, information quoted is not guaranteed and may change at any time.

Mortgage Tip

When it comes to your mortgage, you can never have too much information. With that in mind, I'm providing you with this timely tip.

I like it when people get off the fence, particularly when the people getting off the fence are economists.

In The Milken Report (www.milkeninstitute.org) Ross DeVol states that the US economy will add approximately 2 million jobs in 2010 and 3 million jobs in 2011, and that GDP will grow by 3.5% in 2010 and 3.7% in 2011. He continues by stating that he believes inflation will remain low, and that the bulk of the improvement in employment and GDP will be spurred on by the Fed keeping rates at record lows throughout 2010 and into 2011.

James Bullard, president of the Federal Reserve Bank of St. Louis believes that keeping rates at record low without any other action will accelerate US problems and cause them to suffer deflation. On the top of his list of



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things to do is to buy back US Treasuries, in the hopes of creating more liquidity in the markets (by putting cash back into the hands of the sellers).

The two stances may seem contradictory, and they are in a sense, as one economist is predicting growth while the other is predicting stagnancy should no further action be taken by the government in the USA. My take on the US is this: They have a ways to go before they will be back on track. They have a high Unemployment Rate at 9.6% of the labour force, and this doesn't even count the people that are so disillusioned that they have stopped looking for work. Add those people in and the estimates are closer to 13%. That being the case, it is unlikely that the US will see GDP grow at 3.5% per cent this year.

With the USA doing poorly I'd agree that the Feds will not have much of a case for raising interest rates very much over the next 2 years. This will put pressure on the Bank of Canada to keep it's rates a bit lower than desired because the larger the spread between the USA and Canada's short-term rates, the more people will buy Canadian short term investments. The more international demand for our investment vehicles the more demand there is for our Loonie, and the stronger the exchange rate gets in our favour. This is a particular problem for Canadian manufacturing as the USA is the largest purchaser of our exports. After six to eight months of rate hikes the Bank of Canada is going to look around in the spring of 2011 and stop raising rates. At that point they will likely have to retreat a little, and lower the rate by 0.25 to 0.50%.

My stance is that a Variable Rate Mortgage, as a result of the above, is the best choice for most mortgage holders at this time. If you need help on deciding whether or not you should go variable or fixed, please give me a call.



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