



FEDERAL MORTGAGE COMPANY Inc.
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MortgageGram

Hot Summer but Cooler Sales - However Still Better than National Trends

Seattle Times June 6th: "Local Home Sales Cool Off"
Seattle P.I. June 6th: "Seattle Home Sales Shoot Up"

Which is it? The local area for June continued to display a conundrum where the median home price went up to \$470,000 in King County while the number of sales slowed 12.3% compared to June last year. The number listed for sale climbed to an all time high of 9,458 homes. In addition the Seattle area homes showed fewer foreclosure actions (see reverse for more information) which helped support more resilient home prices than most areas of the nation.

The strong job growth, low unemployment, and increasing population have continued to make the local area prices strong, especially in high demand areas. In West Bellevue for example, the median sales price increased 28.2% year to date to \$1,410,000 as of June compared to last year. Mercer Island also showed a strong 23.1% gain to \$1,107,750 thru June.

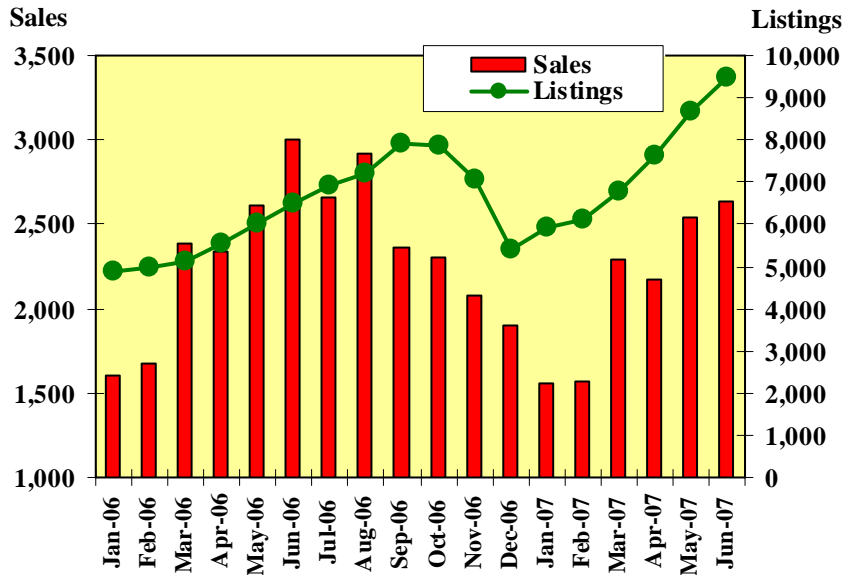
The only area which showed declined in median sales price year to date was Queen Anne - Magnolia which was down 1.55% compared to last year to

King County has 9,458 homes listed for sale now - over double the 4,411 listed in Dec 06.

\$639,900. Early signs of cooling also appeared in Renton where the median sales price dropped to \$340,000 in June this year compared to

\$375,000 in June last year. With 3.6 months of home inventory on the market in King County this summer compared to 2.2 in June last year, and 12.3% fewer sales, the overall average time on the market has increased from 37 days to 49 days. With more homes to view and fewer buyers, in some outlying areas we have seen some contingent offers accepted. However in close-in high demand areas like Madison Valley, Greenlake, and Capitol Hill, there have still been multiple offers far in excess of the list price. In **Pierce County** the number of sales are trailing last year while the number of listings have climbed 46.8% to an all time high of 7,483 creating a big 6.9 month supply of homes with a median home price of \$283,850 which is down from the \$286,980 in February 2007. **Snohomish County** has a 4.7 month inventory with 5,382 homes listed compared to a 2.6 month supply in June 2006.

King County Residential Sales and Listings



Snohomish and Pierce County Data and Charts

The sales and listing activity for these counties follow similar trends. Please call Conrad on 206-325-8400 or email me at Conrad@Fedmtg.com and I will send you the detailed data.

| | Sales | Listings | Median Price |
|--------|-------|----------|--------------|
| Jan-05 | 1,677 | 5,299 | \$329,950 |
| Feb-05 | 1,755 | 5,242 | \$342,500 |
| Mar-05 | 2,858 | 5,244 | \$362,000 |
| Apr-05 | 2,841 | 5,397 | \$355,000 |
| May-05 | 2,897 | 5,469 | \$370,500 |
| Jun-05 | 3,136 | 5,538 | \$375,000 |
| Jul-05 | 3,080 | 5,792 | \$375,000 |
| Aug-05 | 3,179 | 5,810 | \$385,000 |
| Sep-05 | 2,958 | 6,149 | \$381,250 |
| Oct-05 | 2,710 | 6,014 | \$390,000 |
| Nov-05 | 2,441 | 5,512 | \$389,000 |
| Dec-05 | 2,407 | 4,411 | \$393,000 |
| Jan-06 | 1,599 | 4,865 | \$390,000 |
| Feb-06 | 1,679 | 4,999 | \$392,950 |
| Mar-06 | 2,386 | 5,100 | \$405,000 |
| Apr-06 | 2,344 | 5,526 | \$419,500 |
| May-06 | 2,606 | 6,027 | \$427,950 |
| Jun-06 | 3,000 | 6,489 | \$434,950 |
| Jul-06 | 2,653 | 6,909 | \$435,000 |
| Aug-06 | 2,923 | 7,199 | \$435,000 |
| Sep-06 | 2,358 | 7,919 | \$425,000 |
| Oct-06 | 2,300 | 7,865 | \$440,000 |
| Nov-06 | 2,081 | 7,040 | \$435,000 |
| Dec-06 | 1,905 | 5,423 | \$440,000 |
| Jan-07 | 1,558 | 5,932 | \$429,495 |
| Feb-07 | 1,572 | 6,124 | \$429,925 |
| Mar-07 | 2,286 | 6,762 | \$454,950 |
| Apr-07 | 2,173 | 7,649 | \$465,000 |
| May-07 | 2,537 | 8,689 | \$469,000 |
| Jun-07 | 2,632 | 9,458 | \$470,000 |

NEW Electronic Signatures

We have the ability to allow our clients to sign their name much less on the final closing paperwork on conforming fixed rate programs! **eSign** is an electronic signature that replaces "wet" signatures by a simple click of the mouse for most of the first mortgage forms. These documents are created electronically as a pdf file and stored on a disk - which saves paper, time, blue ink, wrists, and trees. Call Andy, Gwen, or Conrad on 206-325-8400 for details.

New Mortgage Option

The new conforming **40 year fixed rate with the first 10 years interest only** combines the lower initial payments followed by a 30 year amortization for a reduced payment adjustment. The borrower qualifies at the starting payment, to enable a larger loan amount and home price. Call Andy or Conrad at 206-325-8400 for a detailed Good Faith Estimate.

Federal Mortgage Company, Inc. is a member in good standing of the Washington Association of Mortgage Brokers, the Seattle Mortgage Bankers Association, and the National Mortgage Bankers Association. We are licensed and bonded to originate mortgage loans in Washington, Oregon, and Idaho. See www.fedmtg.com Call Andy or Conrad on 206-325-8400 or email us at conrad@fedmtg.com or andy@fedmtg.com for a detailed Good Faith Estimate on any program. We specialize in Self Employed borrowers and provide excellent terms!



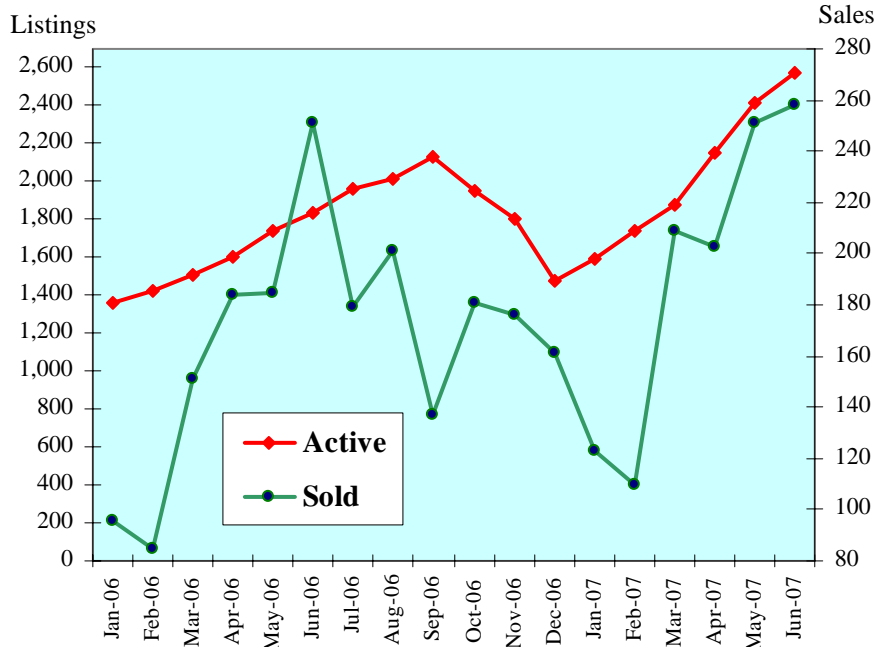
Record Million Dollar Home Sales

Million Dollar sales of single family homes continued the upward trend and hit an all time high of **258 sales** in June 2007 and also posted a record **2,575 listings** as of month end. Some sold quickly with 35 selling in less than 30 days, but another 26 homes took over 180 days to unload. Of all the sales there were **40 waterfront homes**, including two **floating homes on Lake Union** that sold in one week for over the list price. One home listed for \$8,985,000 in **Hunts Point** sold in 29 days for \$9,400,000 and two homes in **Medina** went very quickly with one for \$7,900,000 selling in 14 days and another for \$3,795,000 that sold in just 3 days. There were 11 sales on **Bainbridge Island** and 7 of these sold in 22 days or less. On **Mercer Island** we saw 5 sales and 3 of these took over 280 days to sell. Call or email for more details and our special financing terms.

Million Dollar Home Sales June 2007

| | # Sales | Waterfront | D.O.M. |
|--------------------|---------|------------|--------|
| \$1 to \$2 Million | 208 | 20 | 118 |
| \$2 to \$3 Million | 39 | 13 | 186 |
| \$3 to \$4 Million | 7 | 3 | 148 |
| \$4 Million and Up | 4 | 4 | 100 |

Puget Sound Million Dollar Home Sales
January 2006 to June 2007



Puget Sound Foreclosure Activity

Recent record foreclosure activity provided national headline news, however the local area shows only a slight increase over historical trends and is significantly less than troubled areas. The Puget Sound area has not seen falling home prices and high sub prime loan activity in areas like California, Florida, Nevada, Colorado, and Arizona. Also, we do not have the high unemployment and depressed home prices as in Ohio, Michigan and Indiana where foreclosures hit all time highs. For example, in one zip code 80219 in Denver there were 657 Notice of Trustee Sale Notice filings for the three months ending June 15th which is about the same as all of Snohomish County for the same time frame. In Cleveland alone there were 1,463 Notice of Trustee Sale Notices filed which is more than twice the number for all of Pierce County for the same time frame.

Notice of Trustee Sale Filings

Foreclosure activity information provided by www.Realtytrac.com

