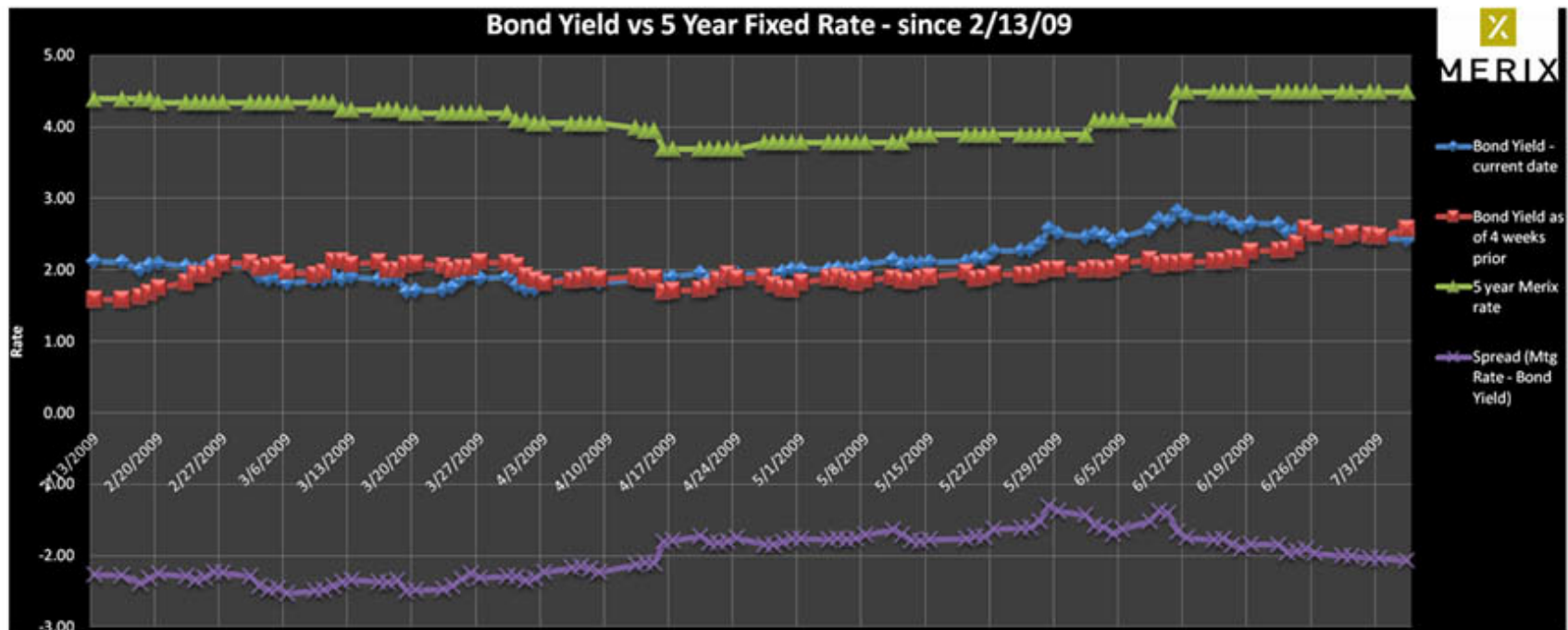


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- TSX +37.19 (Reuters)
- DOW **Closed for Independence Day**
- Dollar +.04c to 86.08USD
- Oil **-\$closed** to \$66.73US per barrel.
- Gold **-\$closed** to \$931.00USD per ounce
- Canadian 5 yr bond yields **-.03bps** to 2.42- Four weeks ago it was 2.57. The spread, based on 5 yr rate of 4.49%, is at 2.07%.
- [http://www.financialpost.com/markets/market-data/money-yields-can\\_us.html?tmp=yields-can\\_us](http://www.financialpost.com/markets/market-data/money-yields-can_us.html?tmp=yields-can_us)

The yield, *rate of return on your bond*, can be read through a yield curve, which is the pattern of yields on bonds. This **increase in bond yield** is something to watch. If the bond yield continues to go up, the spread will continue to shrink and this could be **a trigger for interest rates to rise**. Ideally lenders are looking for a **new spread between 1.80 and 2.00**



# Calgary home sales increase for sixth consecutive month

Calgary Herald

CALGARY- According to the Calgary Real Estate Board Calgary home sales increased for the the sixth consecutive month in June.

The number of homes and condos sold was also up over the same time in June 2008, with 1,837 homes and 738 condos sold in the metro Calgary market in the past month.

The home sales mark a 16 per cent increase over May 2009 and 28 per cent increase over June 2008, when single family home sales were 1,493. The condo sales mark a 13 per cent increase over May 2009 and a 33 per cent increase from this time last year when condo sales were 556. According to Bonnie Wegerich, President of the CREB, "affordable prices, low interest rates and pent-up demand continue to fuel this gradual rebound."

According to the CREB turnover for homes and condos is now just over two months, where in January of 2009 the turnover time was 11 months. Home prices are also up two per cent over May 2009, with the average price of a single family home in June 2009 \$447,142.

However, the June 2009 figures are a six per cent decrease from June 2008 when the average price was \$473,774. Condominium prices are also up four per cent over May 2009, with the average price listed as \$285,595, but down nine per cent from June 2008 when the average price was \$315,042.

## **More Canadians miss payments Half-million consumers fall more than 90 days behind on credit bills**

RECORD NEWS SERVICES

More than half a million Canadians have fallen behind on their various credit payments, fuelling a 19 per cent rise in the average national delinquency rate in the one-year period ending May 31, says a new report from Equifax Canada.

The credit bureau called the double-digit jump "alarming," noting the average delinquency rate for Canada hit 1.52 per cent at the end of May.

Much of the trouble stemmed from missed payments on credit card bills and for sales finance purchases of items such as furniture and electronics.

Equifax defines delinquent bills as those that are at least 90 days overdue.

Its latest snapshot on delinquencies comes just days after a Senate committee released a report urging the federal government to take more aggressive action to shield consumers and small businesses from rising interest rates and fees in the credit and debit card markets.

Finance Minister Jim Flaherty continues to review all input on credit cards and will announce his final intentions once that process is complete, a spokesperson said.

While his office gave no timeline, Pierrette Ringuette, the Liberal senator who spearheaded the study, appeared to up the ante yesterday by vowing to introduce legislation in September if the government fails to act before then.

Legislation, except money bills, can be introduced in the Senate, although most originates in the House of Commons. It was unclear what kind of support such a bill would garner in a minority Parliament.

The Senate report, released Tuesday, recommended the government create an "oversight board" and also take steps to clamp down on the rates and fees paid by consumers and merchants for the use of Visa, MasterCard and other card brands.

If Flaherty takes no action by the fall, "I'm going to be very, very disappointed," Ringuette said in a phone interview. "The small and medium businesses of this country are not asking for a bailout."

"They're only asking for fairness -- just like consumers are only asking for fairness. I think it's high time that government paid attention to them."

The Equifax report, meanwhile, was the latest study to suggest that increasing numbers of Canadians are struggling to pay their bills.

Nadim Abdo, an Equifax vice-president, stressed that the "sharpest increase" in delinquencies resulted from credit card and sales finance purchases, which have risen by 38 per cent and 58 per cent, respectively, since May 2008.

Rising delinquencies in those areas are troubling because consumers tend to miss payments on those unsecured credit products before they fail to pay back collateral-backed loans such as mortgages, bank loans and lines of credit, Abdo said.

While that's likely to spell higher loan losses for banks, consumers who skip payments will also suffer longer-term consequences because of tarnished credit scores.

"When economic conditions get better, whenever that is, if they want to go get a mortgage or get a line of credit -- with a negative rating on their credit file, that's not going to help them," Abdo said.

The Equifax data follows a Bank of Canada report last month that suggested climbing debt levels have put households under increased financial strain amid the recession.

The Financial System Review also said that households are increasingly vulnerable to "adverse shocks" such as higher unemployment.