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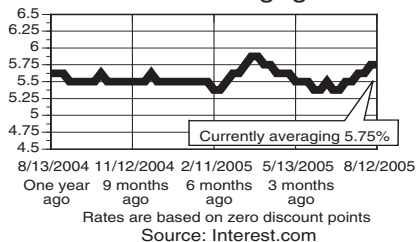
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 1-9-05

Annual subscription \$250 (1-800-844-4648)

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	12/30/04	1/7/05
2year T-note	3.10%	3.19%
5year T-note	3.64%	3.71%
10 year T-note	4.27%	4.27%
30 year T-Bond	4.88%	4.85%

Discount Rate (wk. end 12/31)	3.25%
Fed Funds Rate (wk. end 12/31)	2.27%
Prime rate (wk. end 12/31)	5.25%

ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Nov.)	5.65%
12 mo. mvg. avg. (1-yr. TCM) (Nov.)	1.82%
3 mo. LIBOR (FNMA for Dec.)	2.59%
6 mo. LIBOR (FNMA for Dec.)	2.78%
National COFI (Oct.)	2.16%
11th District COFI (Nov.)	2.03%
6 month CD (wk. end 12/31)	2.73%
1 Year TCM (wk. end 12/31)	2.77%
2 Year TCM (wk. end 12/31)	3.09%
3 Year TCM (wk. end 12/31)	3.27%
5 Year TCM (wk. end 12/31)	3.65%
7 Year TCM (wk. end 12/31)	3.99%
10 Year TCM (wk. end 12/31)	4.29%
20 Year TCM (wk. end 12/31)	4.92%

Required Yields for Delivery

	Freddie Mac (1/7/05)			
	10 day	30 day	60 day	90 day
30 year	5.43%	5.47%	5.52%	5.58%
15 year	4.83%	4.86%	4.92%	4.96%

Fannie Mae no longer offers information on required net yields.

HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Nov.	NA	-0.4%
Housing Starts	Nov.	1.77 mil.	-13.0%
Building Permits	Nov.	1.99 mil.	-1.5%
Existing Home Sales	Nov.	6.94 mil.	+2.7%
New Home Sales	Nov.	1.13 mil.	-12.0%

MORTGAGE APPLICATION INDEXES (MBA)	
Wk. ended Dec. 31, 2004	
Number of purchase applications	Down -13.7%
Number of refinance applications	Down -5.7%



Mortgage Rates Rise Then Fall on Multiple Reports Week in review 1/3/05 - 1/7/05

Fears of inflation, brought about by the minutes from the December 14 meeting of the Fed, put extra pressure on U.S. Treasuries. The Fed stated that while risks of inflation are balanced for now, officials are concerned about higher prices in the future. This sparked a big sell-off in Treasuries, sending prices plunging and yields, which move in the opposite direction of prices, soaring. Upbeat economic news kept the pressure on, but a big increase in first-time jobless claims turned things around and a benign December employment report kept Treasuries on an even keel. Mortgage lenders who use Treasury yields as guides to set rates moved them up only to reverse the direction later in the week.

December saw 157,000 jobs added to non-farm payrolls -- below estimates -- but enough to indicate a healthy job market with no inflation. The national ISM index on manufacturing conditions for December rose to 58.6, but a weak employment component -- the lowest in 15 months -- softened the news. The ISM index on the service sector also rose, and although employment was slightly down, new orders and prices paid were up. Bond traders greeted the increase in

the prices-paid component with a wary eye. Factory orders climbed 1.2 percent in November -- the biggest increase in four months, but new construction unexpectedly fell 0.4 percent in November. For the week ended Dec. 31, first-time unemployment claims jumped 43,000 to 364,000 -- the biggest one-week increase in almost three years -- turning Treasuries around. Seasonal factors were cited as possible reasons for the increase. Retail sales reports for December from some of the major chains are coming in mixed.

Mortgage applications were down the last week of 2004. Applications to purchase slid 13.7 percent, according to the Mortgage Bankers Association, and refinances fell 5.7 percent, although they accounted for 48 percent of mortgage transactions. Rates have been somewhat volatile this week. The 30-year fixed-rate mortgage (based on zero discount points) had been flirting with 5.625 percent but returned to 5.5 percent, and the 15-year fixed-rate is now below 5 percent. The introductory rate on the one-year adjustable-rate mortgage, which changes hourly, fell to above 3.25 percent.

Mortgage Rates Likely to Hold Steady Week in preview 1/10/05 - 1/14/05

Retail sales for December, the producer price index, which checks for inflation at the wholesale level, and industrial production and capacity utilization top the list of economic reports. The U.S. International Trade report also will be closely watched, as the trade deficit is partially responsible for the weak dollar. But the December employment report, which many thought would set the direction of Treasuries, turned out to be a non-event. If economic news comes in near analysts' estimates, mortgage rates should hold near present levels.

There are a number of economic events scheduled for this week. They start out slowly and build in importance as the days progress. On Monday wholesale trade inventories and sales will be released, but because it contains November data, it will not carry as much weight

as more recent information.

Tuesday features two retail surveys: the Redbook report and the International Council of Shopping Centers survey on retail sales for the week ended January 7. In this post-holiday period, these reports will have minor significance. On Wednesday the U.S. trade deficit for November will be announced and this could affect the financial markets.

Retail sales for December will be released on Thursday as well as weekly first-time unemployment claims and U.S. import/export price indices. Of the three, the retail report will likely be the market mover.

The all-important producer price index is out Friday, along with business inventories for November and industrial production for December.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Jan. 10	10:00 am	Wholesale trade/Inventories and Sales (Nov.)	+0.8%(inv.)
Jan. 11	8:00 am	ICSC-UBS report on chain store sales (Wk. end 1/7)	
	8:00 am	Redbook report on retail sales (Wk. end 1/7)	
Jan. 12	8:30 am	U.S. Internatl. Trade in Goods & Services (Nov. deficit)	\$52.7 bil.
	2:00 pm	Treasury Statement (monthly budget)	-\$6.3 bil.
Jan. 13	8:30 am	Weekly Unemployment Claims (Wk. end 1/7)	335,000
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes (Dec.)	
	8:30 am	Advance Retail Sales/ ex-auto (Dec.)	+0.8%/ +0.4%
Jan. 14	8:30 am	Producer Price Index/core rate (Dec.)	-0.1%/+0.2%
	8:30 am	Business Inventories/ Sales (Nov.)	+0.7%
	9:15 am	Industrial Production & Capacity Utilization (Dec.)	+0.5%/ 78.9

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Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

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TRACKING THE ECONOMY -- JANUARY 2005

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS
Dec. 27	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Dec. 28	8:00 am	ICSC/UBS report on chain store sales	Wk. end Dec. 24		NA	-1.5%
	8:00 am	Redbook report on retail sales	Wk. end Dec. 24 v. one yr. ago		NA	+0.9%
	10:00 am	Consumer Confidence Report	Dec.	Conference Board	102.3	92.8
Dec. 29	10:00 am	Existing Home Sales	Nov.	Natl. Assn. of Realtors®	+2.7% @ 6.94 mil.	-0.1% @ 6.75 mil.
Dec. 30	8:30 am	Weekly Unemployment Claims	Wk. end Dec. 24	Dept. of Labor	326,000	331,000 (rev.)
	10:00 am	Chicago Purchasing Managers Institute releases index of Dec. Mfg. Conditions			61.2	65.2
Dec. 31		The federal government will be closed to observe New Year's Day. The financial markets will close early.				
Jan. 3	10:00 am	New Construction	Nov.		-0.4%	+0.3% (rev.)
	10:00 am	Institute of Supply Management releases index of Dec. Mfg. Conditions			58.6	57.8
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Jan. 4	8:00 am	ICSC/UBS report on chain store sales	Wk. end Dec. 31		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end Dec. 31		NA	NA
	10:00 am	Factory Orders			+1.2%	+0.5%
Jan. 5	10:00 am	Institute of Supply Management releases index of Dec. Non-Mfg. Conditions			63.1	61.3
Jan. 6	8:30 am	Weekly Unemployment Claims	Wk. end Dec. 31	Dept. of Labor	364,000	321,000 (rev.)
Jan. 7	8:30 am	The Employment Report	Dec.	Dept. of Labor	+157,000 @ 5.4%	+137,000 @ 5.4% (rev.)
	8:30 am	Hourly wage earnings	Dec.	Dept. of Labor	+\$0.02 @ \$15.86	+0.1% @ \$15.84
	3:00 pm	Consumer Credit	Nov.	Federal Reserve		\$7.7 bil.
Jan. 10	10:00 am	Wholesale trade/Inventories and Sales	Dec.	Commerce Dept.		+1.1% (inv.)
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
Jan. 11	8:00 am	ICSC-UBS report on chain store sales	Wk. end Jan. 7			
	8:00 am	Redbook report on retail sales	Wk. end Jan. 7			
Jan. 12	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Nov.	Commerce Dept.		\$55.5 bil.
	2:00 pm	Treasury Statement (monthly budget)	Dec.	Treasury Dept.		-\$43.0 bil.
Jan. 13	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 7	Dept. of Labor		
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Dec.	Commerce Dept.		+0.2%/ +0.3%
	8:30 am	Advance Retail Sales/ ex-auto	Dec.	Commerce Dept.		+0.1%/ +5%
Jan. 14	8:30 am	Producer Price Index/core rate	Dec.	Dept. of Labor		+0.5%/ +0.2%
	8:30 am	Business Inventories/ Sales	Nov.	Commerce Dept.		+0.2% (inv.)
	9:15 am	Industrial Production & Capacity Utilization	Dec.	Federal Reserve		+0.3%/ 77.6%
Jan. 17		The federal government and financial markets will be closed to observe Martin Luther King, Jr. Day				
Jan. 18	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
Jan. 19	8:00 am	ICSC-UBS report on chain store sales	Wk. end Jan. 14			
	8:00 am	Redbook report on retail sales	Wk. end Jan. 14			
	8:30 am	Consumer Price Index/core rate	Dec.	Dept. of Labor		+0.2%/ +0.2%
	8:30 am	NY Empire State Index of Jan. Manufacturing Conditions				29.9
	8:30 am	Housing Starts	Dec.	Commerce Dept.		-13.0% @ 1.77 mil.
	8:30 am	Building Permits	Dec.	Commerce Dept.		-1.5% @ 1.99 mil.
	noon	FOMC releases Beige Book				
Jan. 20	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 14	Dept. of Labor		
	10:00 am	Index of Leading Indicators	Dec.	Conference Board		+0.2%
	noon	Philadelphia Fed Report on Jan. manufacturing conditions		Federal Reserve		29.6
Jan. 21	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Jan.	Univ. of Michigan		
Jan. 24	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Jan. 25	8:00 am	ICSC-UBS report on chain store sales	Wk. end Jan. 21			
	8:00 am	Redbook report on retail sales	Wk. end Jan. 21			
	10:00 am	Existing Home Sales	Dec.	Natl. Assn. of Realtors®		-0.1% @ 6.75 mil.
Jan. 26		There are no economic reports scheduled for release.				
Jan. 27	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 21	Dept. of Labor		
	8:30 am	Durable Goods Orders (adv.)	Dec.	Commerce Dept.		+1.6%
Jan. 28	8:30 am	Gross Domestic Product (adv.)	4th Qtr.	Commerce Dept.		4.0%
	8:30 am	GDP Chain Deflator (adv.)	4th Qtr.	Commerce Dept.		+1.4%
	8:30 am	Employment Cost Index	4th Qtr.			
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Jan.	Univ. of Michigan		
Jan. 31	8:30 am	Personal Income and Outlays	Dec.	Commerce Dept.		+0.3%/ +0.2%
	10:00 am	Chicago Purchasing Managers Institute releases index of Jan. Mfg. Conditions				
	10:00 am	New Home Sales	Dec.	Commerce Dept.		-12% @ 1.125 mil.
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Feb. 1	8:30 am	New Construction	Dec.			unch.
	8:00 am	ICSC/UBS report on chain store sales	Wk. end Jan. 28			
	8:00 am	Redbook report on retail sales	Wk. end Jan. 28			
	9:00 am	FOMC convenes two-day meeting to discuss interest rates				
	10:00 am	Institute of Supply Management releases index of Jan. Mfg. Conditions				
Feb. 2	2:15 pm	FOMC releases statement regarding decision on interest rates				+25 basis points
Feb. 3	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 28	Dept. of Labor		
	8:30 am	Productivity & Costs (rev.)	3rd Qtr.			+1.8%/ +1.8%
	8:30 am	Factory Orders				+0.5%
Feb. 4	8:30 am	The Employment Report	Jan.	Dept. of Labor		+112,000 @ 5.4%
	8:30 am	Hourly wage earnings	Jan.	Dept. of Labor		+0.1% @ \$15.83
	10:00 am	Institute of Supply Management releases index of Jan. Non-Mfg. Conditions				

Note: In some instances, these dates are merely approximations. Release times are Eastern Standard Time



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INDUSTRY NEWS

Multi-Media Campaign and Help Line Directed at Consumers

A coalition of private and public partners launched a major public education campaign in Albuquerque, aimed at preventing predatory lending throughout New Mexico.

New Mexico's Don't Borrow Trouble(SM) Campaign is a multi-media strategy of brochures, web site, radio and TV commercials all aimed at low- and moderate-income families around the state who are vulnerable to predatory lending. By combining advertising and face-to-face consumer education and housing counseling, the campaign helps consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. An Anti-Predatory Lending Roundtable comprised of leading non-profits and state-housing agencies will coordinate the Don't Borrow Trouble Campaign. The United South Broadway Corporation and Project Change Fair Lending Center are the lead non-profits managing the campaign.

The radio and television advertising campaign encourages consumers statewide to call New Mexico's Don't Borrow Trouble help line at the Project Change Fair Lending Center 866-227-5114, or in Albuquerque, 505-247-0384. Callers will be able to obtain housing counseling services throughout New Mexico. It is hoped that people will use these resources for advice before they get into financial difficulty when purchasing a home, refinancing, consolidating debt, or taking out a home equity loan. The help line is also a resource for those who find themselves currently in trouble with foreclosure.

"I am excited to be a part of this national awareness effort. The Don't Borrow Trouble Campaign will continue to move New Mexico forward in the fight against predatory lending," Lt. Governor Diane Denish said. "The help line will provide an invaluable service to New Mexico residents as they strive towards homeownership."

"Our city has one of the highest rates of racial steering to expensive loans in the nation. Studies show that alarming numbers of Hispanics in Albuquerque who qualify for conventional lower-interest mortgages are steered to high-cost loans," said Mayor Martin Chavez. "Armed with information from the Don't Borrow Trouble Campaign, our citizens will be able to protect themselves from these unscrupulous practices."

The Campaign began airing commercials and other advertising on last month. Counseling and other anti-predatory lending outreach efforts will continue at least through 2005.

"Freddie Mac is excited about the launch of New Mexico's Don't Borrow Trouble Campaign, and what it will mean for families throughout the state who want to own a home and to keep owning a home," said Freddie Mac's Director of Housing and Community Investment, Vaughn Irons. "Too often predatory lending practices turn the American Dream of home ownership into a nightmare by stripping equity away from a family, creating a high-cost situation that eventually leads to delinquency, foreclosure and weakened neighborhoods. Don't Borrow Trouble is a proven method to help stop predatory lending and to keep families in their homes, building wealth and strengthening communities."

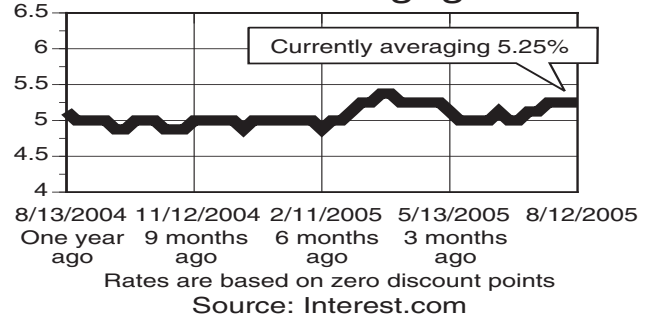
Some Signs of Predatory Lending

Predatory lending practices strip equity away from homeowners. A few examples include repeatedly refinancing a loan within a short period of time and charging high points and fees with each refinance; packing a loan with single-premium credit insurance products like credit life insurance, and not adequately disclosing the inclusion, cost or additional fees associated with the insurance; or charging excessive rates and fees to a borrower who qualifies for lower rates and fees.

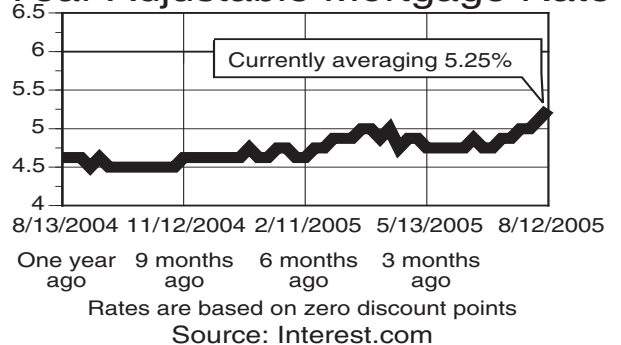
Pioneered in Boston by Mayor Thomas M. Menino and the Massachusetts Community Banking Council, Freddie Mac is the principal sponsor of the program's expansion throughout the United States. Including New Mexico's Don't Borrow Trouble Campaign, Freddie Mac has brought the campaign to more than 35 locations, and received more than 30,000 inquiries to the campaigns' help line. --PR Newswire

MORTGAGE MARKET MONITOR

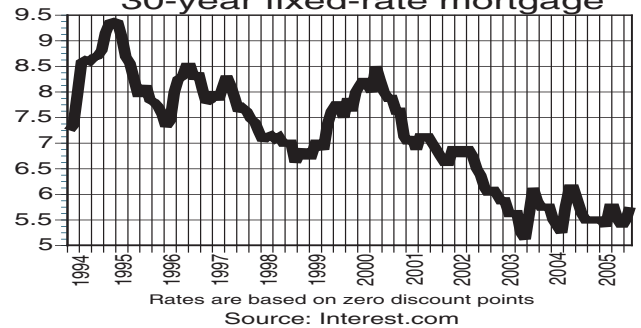
15-Year Fixed Mortgage Rate



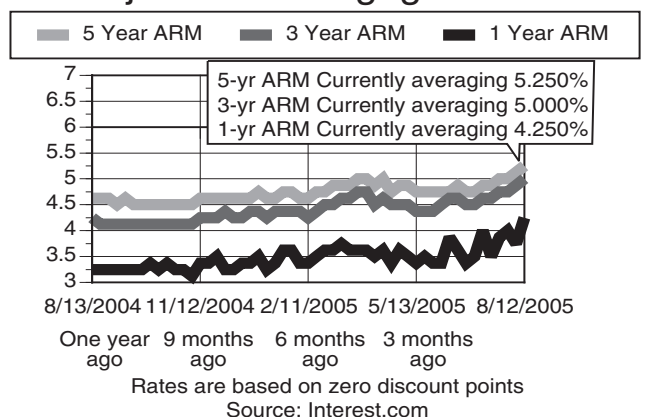
5-Year Adjustable Mortgage Rate



30-year fixed-rate mortgage



Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE

