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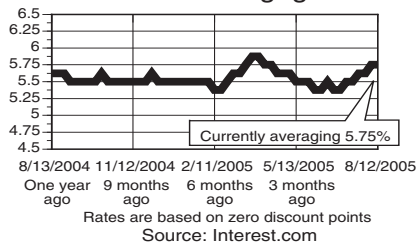
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 1-16-05

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

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	1/7/05	1/14/05
2year T-note	3.19%	3.23%
5year T-note	3.71%	3.72%
10 year T-note	4.27%	4.22%
30 year T-Bond	4.85%	4.85%

Discount Rate (wk. end 1/7)	3.25%
Fed Funds Rate (wk. end 1/7)	2.14%
Prime rate (wk. end 1/7)	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 1/7)	2.77%
1 Year TCM (wk. end 1/7)	2.82%
2 Year TCM (wk. end 1/7)	3.18%
3 Year TCM (wk. end 1/7)	3.36%
5 Year TCM (wk. end 1/7)	3.71%
7 Year TCM (wk. end 1/7)	4.00%
10 Year TCM (wk. end 1/7)	4.28%
20 Year TCM (wk. end 1/7)	4.88%

Required Yields for Delivery

	Freddie Mac (1/14/05)			
	10 day	30 day	60 day	90 day
30 year	5.34%	5.38%	5.44%	5.49%
15 year	4.77%	4.80%	4.86%	4.90%

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 Jan. 7, 2005
Number of purchase applications	Down -5.8%
Number of refinance applications	Up -1.1%



Mortgage Rates Remain in Four-Month Groove

Week in review 1/10/05 - 1/14/05

After two weeks of volatility, fixed-rate mortgage rates have settled back into the comfortable groove they have been in since September, but some adjustable rates remain a bit higher. U.S. Treasuries benefited from safe-haven buying as Wall Street weathered a one-day sell-off. Oil prices rose, which bond traders equate with weaker consumer spending due to higher gas prices. This would keep economic growth subdued. A big increase in the trade deficit also soothed the bond markets, as it will likely take a 1 percent chunk out of GDP fourth-quarter growth, which could reduce the Fed's need to raise interest rates. But a big jump in industrial production ignited selling in Treasuries in spite of a benign producer price index. This sent Treasury yields, which move in the opposite direction of prices, back up. The change in yields, which lenders use as guides to set mortgage rates, was not strong enough to move rates.

Several significant economic reports were released, and Treasuries focused on the producer price index reading that could indicate inflationary pressures. The index, however, fell 0.7 percent due to the decline in oil prices and the core, which eliminates volatile food and

energy prices, rose only 0.1 percent. This was bond friendly news, but a 0.8 percent increase in industrial production was not. For the year, production rose 4.1 percent -- the biggest increase in four years. The U.S. trade deficit for November hit a record \$60.3 billion. Although the dollar fell on worries that foreign investors might shy away from U.S. investments, Treasuries held. December retail sales rose 1.2 percent. Excluding autos, however, sales were up just 0.3 percent. Oddly enough, furniture and home goods were strong sellers, but traditional holiday items, such as apparel and electronics were down. First-time jobless claims rose again, this time by 10,000 to 367,000 for the week ended January 7, while the more accurate four-week average added 12,750 claims.

Mortgage applications came in mixed for the week ended January 7, according to the Mortgage Bankers Assn. Applications to purchase fell 5.8 percent, while refis were up 1.1 percent. The 30-year fixed-rate mortgage (based on zero discount points) is slightly below 5.5 percent, while the 15-year fixed-rate is under 5 percent. The introductory rate on the volatile one-year adjustable-rate mortgage edged back down to 3.375 percent.

Mortgage Rates Should Remain Close to Present Levels

Week in preview 1/17/05 - 1/21/05

Upcoming economic reports will begin on Tuesday with the NY index on manufacturing conditions. Housing starts and building permits, and the all-important consumer price index that checks for inflation at the retail level come out on Wednesday. Weekly unemployment claims will be released Thursday, along with the Philly Fed survey on manufacturing conditions, and the index of leading indicators, which looks at the economy three to six months ahead. A consumer sentiment survey will be the sole report on Friday. If economic indicators come in near estimates, mortgage rates will likely remain near present levels.

Economic reports don't begin in earnest until Wednesday, although the NY index on manufacturing cannot be overlooked

as it has been known to impact the markets. The consumer price index will be released Wednesday morning and studied thoroughly for signs of inflation. In addition, we get a first look at December housing data with the release of housing starts and building permits. The Fed will also issue its beige book on nationwide economic conditions. The Redbook report and the International Council of Shopping Centers survey on retail sales for the week ended January 14 are also due.

On Thursday the index of leading indicators, a look at manufacturing conditions in the Mid-Atlantic region and weekly first-time unemployment claims for the week ended Jan. 14 are due. The preliminary University of Michigan consumer sentiment survey for January is the sole report on Friday.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Jan. 17		The federal government and markets are closed to observe Martin Luther King, Jr. Day	
Jan. 18	8:30 am	NY Empire State Index of Jan. Manufacturing Conditions	23.7
	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 1/14)	
	8:00 am	Redbook report on retail sales (Wk. end 1/14)	
	8:30 am	Consumer Price Index/core rate (Dec.)	+0.1%/ +0.2%
	8:30 am	Housing Starts (Dec.)	1.91 mil.
	8:30 am	Building Permits (Dec.)	1.98 mil.
	noon	FOMC releases Beige Book	
Jan. 20	8:30 am	Weekly Unemployment Claims (Wk. end 1/14)	350,000
	10:00 am	Index of Leading Indicators (Dec.)	+0.2%
	noon	Philadelphia Fed Report on Jan. manufacturing conditions	23.7
Jan. 21	9:45 am	Univ. of Mich. Sentiment Survey (Jan. prelim.)	98

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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		+0.2%	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	\$8.7 bil.	\$7.7 bil.
Jan. 10	10:00 am	Wholesale trade/Inventories and Sales	Dec.	Commerce Dept.	+1.1%/ +0.7%	+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. 8		-0.6%	+0.2%
	8:00 am	Redbook report on retail sales	Wk. end Jan. 8 v. yr. ago		+3.1%	NA
Jan. 12	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Nov.	Commerce Dept.	\$60.3 bil.	\$55.5 bil.
	2:00 pm	Treasury Statement (monthly budget)	Dec.	Treasury Dept.	-\$3.4 bil.	-\$43.0 bil.
Jan. 13	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 7	Dept. of Labor	367,000	357,000 (rev.)
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Dec.	Commerce Dept.	-1.3%/ +0.2%	+0.2%/ +0.3%
	8:30 am	Advance Retail Sales/ ex-auto	Dec.	Commerce Dept.	+1.2%/ +0.3%	+0.1%/ +0.5%
Jan. 14	8:30 am	Producer Price Index/core rate	Dec.	Dept. of Labor	-0.7%/ +0.1%	+0.5%/ +0.2%
	8:30 am	Business Inventories/ Sales	Nov.	Commerce Dept.	+1%/ +0.4%	+0.2% (inv.)
	9:15 am	Industrial Production & Capacity Utilization	Dec.	Federal Reserve	+0.8%/ 79.2%	+0.3%/ 77.6%
Jan. 17		The federal government and financial markets will be closed to observe Martin Luther King, Jr. Day				
Jan. 18	8:30 am	NY Empire State Index of Jan. Manufacturing Conditions				29.9
	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			-0.6%
	8:00 am	Redbook report on retail sales	Wk. end Jan. 14 v. yr. ago			+3.1%
	8:30 am	Consumer Price Index/core rate	Dec.	Dept. of Labor		+0.2%/ +0.2%
	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		367,000
	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

Professionals on Home Ownership Obstacles & Attitudes

According to recent research from a variety of sources, professionals who make some of the greatest contributions to America's communities cannot afford to live in or near the communities they serve. A survey commissioned by Bank of America and conducted by KRC Research, now offers insight into the barriers and challenges to home ownership experienced by firefighters, police officers, teachers and medical personnel in ten leading U.S. cities.

"There is no question that our neighborhood champions encounter very serious obstacles to home ownership," said Gwen Thomas, Bank of America Neighborhood Lending executive. "Ironically, these professions -- which make some of the most significant contributions to their community -- are encountering some of the largest roadblocks to residing there."

Sample Findings

- In the survey of police officers, firefighters, teachers and nurses, approximately 6 in 10 stated their ability to own a home (based on their salary) influences their decision about whether to continue to work within their profession and the community.

- Most respondents believe it is taking them longer to purchase a home due to the income earned in their profession.

- Teachers and police officers were the most likely to cite salary as the reason home ownership is not an achievable goal.

- 52% - 64% of those in each profession surveyed are concerned about qualifying for a mortgage.

- Non-homeowner respondents in Washington D.C. (followed by San Francisco) cited lack of affordable housing as the reason they do not own a home within the community they serve.

- Of the markets surveyed, non-homeowners in Philadelphia were least likely to believe homeownership is achievable.

- Non-homeowners surveyed in Boston were most likely to believe it is taking them longer to achieve home ownership due to their income.

The survey of 2,000 respondents was conducted in Washington D.C., New York, Los Angeles, Boston, Miami, San Francisco, Chicago, Philadelphia, Dallas and Atlanta.

"We have a moral obligation to provide housing for working families -- especially those police, firefighters, teachers and medical workers who do so much for our communities," said Lake County, Illinois Commissioner Angelo Kyle, President of the National Assn. of Counties (NACo). The Council is looking at such issues as increasing the affordability of housing options for working Americans, extending accessibility to housing and home ownership opportunities, and improving the supply of a range of quality housing options."

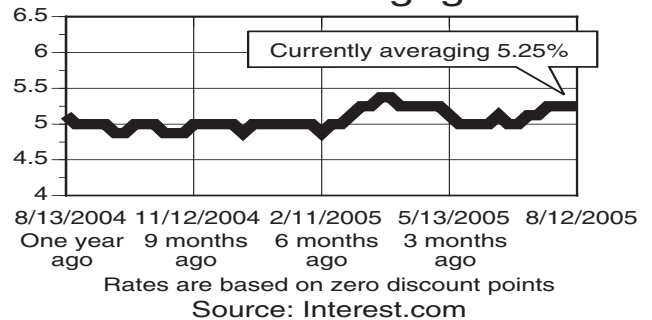
According to the Fannie Mae Foundation's "Homeownership Affordability in Urban America: Past and Future" report ... average-wage schoolteachers, nurses, police officers and firefighters lacked sufficient income to qualify for a mortgage for a median-priced home over the 1998-2003 period, even with a 10 percent down payment. This trend is projected to continue and worsen in the 2004-2008 period.

The Bank of America survey was undertaken as part of the bank's ongoing commitment to serve these professions. Recently, the bank launched its Neighborhood Champions™ program, targeted to the home financing needs of law enforcement, firefighter, education and medical professionals. Available nationally, Neighborhood Champions features greater flexibility with credit scores and credit histories, no income restrictions and requires little to no down payment. More than 2,000 Neighborhood Champions have applied for home financing through the program since its June launch.

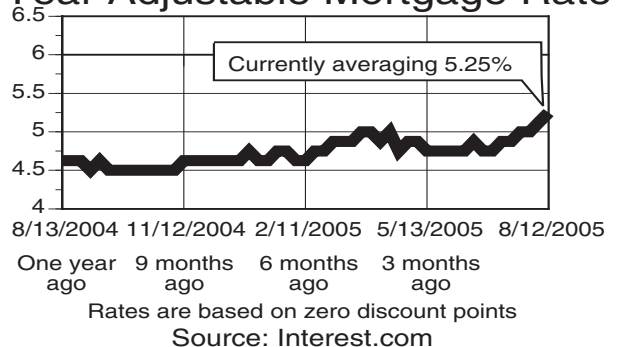
--PR Newswire

MORTGAGE MARKET MONITOR

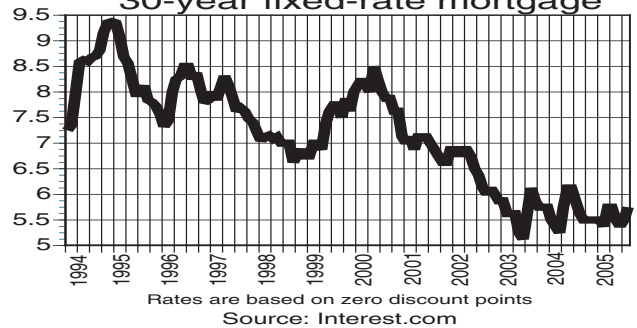
15-Year Fixed Mortgage Rate



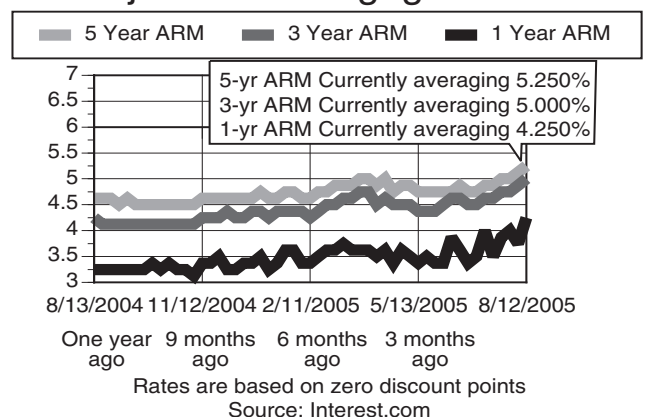
5-Year Adjustable Mortgage Rate



30-year fixed-rate mortgage



Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE

