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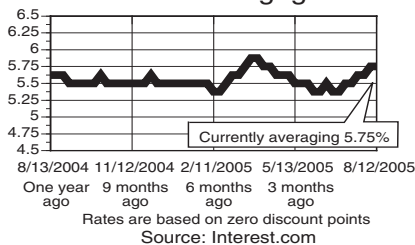
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 1-23-05

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

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	1/14/05	1/21/05
2year T-note	3.23%	3.15%
5year T-note	3.72%	3.65%
10 year T-note	4.22%	4.16%
30 year T-Bond	4.85%	4.67%

Discount Rate (wk. end 1/14)	3.25%
Fed Funds Rate (wk. end 1/14)	2.25%
Prime rate (wk. end 1/14)	5.25%

ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Nov.)	5.65%
12 mo. mvg. avg. (1-yr. TCM) (Dec.)	1.82%
3 mo. LIBOR (FNMA for Dec.)	2.59%
6 mo. LIBOR (FNMA for Dec.)	2.78%
National COFI (Nov.)	2.18%
11th District COFI (Nov.)	2.03%
6 month CD (wk. end 1/14)	2.83%
1 Year TCM (wk. end 1/14)	2.85%
2 Year TCM (wk. end 1/14)	3.23%
3 Year TCM (wk. end 1/14)	3.39%
5 Year TCM (wk. end 1/14)	3.72%
7 Year TCM (wk. end 1/14)	3.99%
10 Year TCM (wk. end 1/14)	4.25%
20 Year TCM (wk. end 1/14)	4.80%

Required Yields for Delivery

	Freddie Mac (1/21/05)			
	10 day	30 day	60 day	90 day
30 year	5.25%	5.30%	5.35%	5.41%
15 year	4.69%	4.73%	4.78%	4.83%

Fannie Mae no longer offers information on required net yields.

HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Nov.	NA	-0.4%
Housing Starts	Dec.	2.0 mil.	+10.9%
Building Permits	Dec.	2.02 mil.	-0.3%
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. 14, 2005	Change
Number of purchase applications	Up	+14.0%
Number of refinance applications	Up	+19.1%



Steady Buying in Treasuries Keeps Mortgage Rates Low Week in review 1/17/05 - 1/21/05

Upbeat economic indicators, a low reading on inflation, and confidence that the Fed will raise rates at a "measured" - not vigorous - pace, kept buying in long-term U.S. Treasuries steady. The shorter-dated issues struggled, as they are most affected by interest rate hikes. Treasury prices on the benchmark 10-year note and 30-year bond rose and their yields, which move in the opposite direction of prices, edged down. The bottom line: the Fed will hold the line on inflation by raising interest rates. This, in turn, will make longer-term Treasuries attractive to foreign investors who want to buy higher-yield U.S. investments. But at the same time, buying in Treasuries will likely keep a lid on yield increases. This should result in yields and therefore mortgage rates, which are based on yields, remaining attractive.

Economic news was headed by the consumer price index (CPI), which checks for inflation at the retail level. Due to a decline in energy prices, December CPI was down 0.1 percent and the core rate, which eliminates volatile food and energy prices, rose by an expected 0.2 percent. This was bond friendly news, as inflation erodes the value of fixed-

rate assets. Two major indices on manufacturing conditions -- the Philly Fed index and the NY Empire State index -- both suffered huge declines, which boosted Treasuries. On the other hand, housing starts rose 10.9 percent in December to an annual rate of 2 million units, boding well for the housing industry this year. Building permits edged down 0.3 percent, but remained at a healthy annual rate of 2.02 million. First-time unemployment claims plunged by 48,000 -- the largest one-week decline in three years. The index of leading indicators, which looks at the economy over the next three to six months, rose for the second consecutive month after five straight declines.

Mortgage applications soared for the week ended January 14 due to a slight dip in mortgage rates. According to the Mortgage Bankers Association, applications to purchase shot up 14 percent, while refis jumped 19.1 percent. Fixed rates are unchanged, with the 30-year fixed-rate mortgage (based on zero discount points) just under 5.5 percent, and the 15-year fixed-rate slightly below 5 percent. The introductory rate on the volatile one-year adjustable-rate mortgage rose to 3.625 percent due to selling in short-term Treasuries.

Mortgage Rates Likely to Hold Steady Week in preview 1/24/05 - 1/28/05

The last full week in January features the first look at fourth-quarter GDP, the nation's broadest measure of economic activity. Any results outside forecasts could rattle the markets. Also on tap are existing home sales and durable goods orders for December, the fourth-quarter employment cost index, the consumer confidence report and final reading on the University of Michigan consumer sentiment survey for January. If the economic reports offer no surprises, mortgage rates should remain steady.

As usual Monday features the Treasury auction of 3- and 6-month T-bills. Existing home sales are set for Tuesday and will bear watching after posting strong gains in November. The Conference Board's

Consumer Confidence index for January also will be released. Also due are the Redbook and the International Council of Shopping Centers surveys on retail sales for the week ended January 21. There are no reports scheduled for Wednesday.

Thursday the December report on durable goods orders is due, and it indicates business and consumer willingness to spend on big-ticket items meant to last more than three years. Weekly first-time unemployment claims also are set for release.

Friday we get the first look at fourth-quarter GDP, which will provide data on economic growth across the nation. The final University of Michigan consumer sentiment survey for January also should be released.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
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 1/21)	
	8:00 am	Redbook report on retail sales (Wk. end 1/21)	
	10:00 am	Existing Home Sales (Dec.)	6.78 mil.
	10:00 am	Consumer Confidence Report (Jan.)	102.3
Jan. 26		There are no economic reports scheduled for release.	
Jan. 27	8:30 am	Weekly Unemployment Claims (Wk. end 1/21)	332,000
	8:30 am	Durable Goods Orders (adv. Dec.)	+0.9%
Jan. 28	8:30 am	Gross Domestic Product (adv. 4th Qtr.)	+3.3%
	8:30 am	GDP Chain Deflator (adv. 4th Qtr.)	+2.3%
	8:30 am	Employment Cost Index (4th Qtr.)	+0.8%
	9:45 am	Univ. of Mich. Sentiment Survey (Jan. final)	

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WEEKLY MORTGAGE RATE REPORT

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			20.08	27.07
	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		NA	-0.6%
	8:00 am	Redbook report on retail sales	Wk. end Jan. 14 v. yr. ago		NA	+3.1%
	8:30 am	Consumer Price Index/core rate	Dec.	Dept. of Labor	-0.1%/ +0.2%	+0.2%/ +0.2%
	8:30 am	Housing Starts	Dec.	Commerce Dept.	+10.9% @ 2 mil.	-13.0% @ 1.8 mil. (rev.)
	8:30 am	Building Permits	Dec.	Commerce Dept.	-0.3% @ 2.02 mil.	-1.5% @ 1.99 mil.
	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 14	Dept. of Labor	319,000	367,000
	2:00 pm	FOMC releases Beige Book				
Jan. 20	10:00 am	Index of Leading Indicators	Dec.	Conference Board	+0.2%	+0.2%
	noon	Philadelphia Fed Report on Jan. manufacturing conditions		Federal Reserve	13.2	25.4 (rev.)
Jan. 21	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Jan.	Univ. of Michigan	95.8	97.1
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			NA
	8:00 am	Redbook report on retail sales	Wk. end Jan. 21			NA
	10:00 am	Existing Home Sales	Dec.	Natl. Assn. of Realtors®		-0.1% @ 6.75 mil.
	10:00 am	Consumer Confidence Report	Jan.	Conference Board		102.3
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		319,000
	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.			+0.9%
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Jan.	Univ. of Michigan		95.8
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			61.2
	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			58.6
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			63.1

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



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INDUSTRY NEWS

Hot California Housing Market Sizzles in 2005

While housing market statistics for December are not yet available, the California residential real estate market in 2004 will be one for the record books, according to the California Association of REALTORS®.

Here are some highlights:

- * 2004 will be a record year for home sales, which are projected to increase 3 percent over last year's record sales figure of 601,800 existing detached homes.

- * 2004 will be a record year for home prices. The median price of a single-family home in California crossed the \$400,000 threshold late in 2003, and will finish the year with an annual median price in excess of \$450,000 -- 22 percent higher than the 2003 annual median price of \$372,700.

- * The percent increase in the median price of a single-family home increased by double-digits for the third consecutive year in 2004.

- * Time on the market was the third lowest on record at a projected annual average of 29 days, surpassed only by 2003 at 27 days.

- * C.A.R.'s Housing Affordability Index (HAI) fell to 19 percent in May, the first time the index has hit the teens since December 1989. Since that time, rapid price appreciation and marginally lower interest rates have generally offset each other, keeping the HAI in the 18- to 19-percent range throughout the summer and fall of this year.

- * The affordability gap between California and the U.S. reached an all-time annual high of 36 percent in 2004. Nationally, affordability was at 56 percent in 2004.

- * New home building eclipsed the 200,000 mark in 2004 for the first time in more than a decade, with an expected total of 206,000 permits for the year. The last time the state exceeded 200,000 permits was in 1989, when 238,000 permits were issued. Yet this year's permit total fell short of household growth, which is estimated at between 220,000 and 250,000 households in 2004.

- * First-time homebuyers as a share of the total market fell to an all-time low of 26 percent in 2004, based on C.A.R.'s annual Housing Market Survey.

- * First-time homebuyers as a share of the total market fell to an all-time low of 26 percent in 2004, based on C.A.R.'s annual Housing Market Survey.

- * The Boomer Generation exerted a tremendous influence on the California housing market in 2004, accounting for three out of four transactions

- * Internet use by homebuyers and sellers continued to climb in 2004. Based on C.A.R.'s Internet Versus Traditional Buyers Survey, 56 percent of all buyers used the internet in a substantive way as a part of their homebuying process, surpassing the 50 percent mark for the first time.

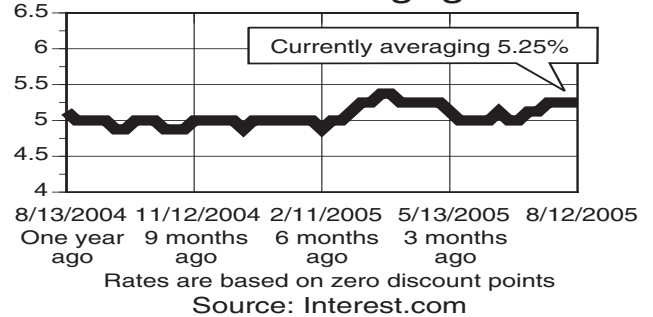
- * Forty-seven percent of home sellers indicated that they had used the internet in the home-selling process, a dramatic increase from 2 percent in 2003, according to C.A.R.'s Survey of California Home Sellers.

- * Fannie Mae and Freddie Mac increased the single-family conforming mortgage loan limit from \$333,700 in 2004 to \$359,650 in 2005, which could benefit more than 12,960 families in California. However, the increase in the loan limit is still far too low to benefit most homebuyers in California, as the median price of a home in California is 28 percent higher than the new loan limits.

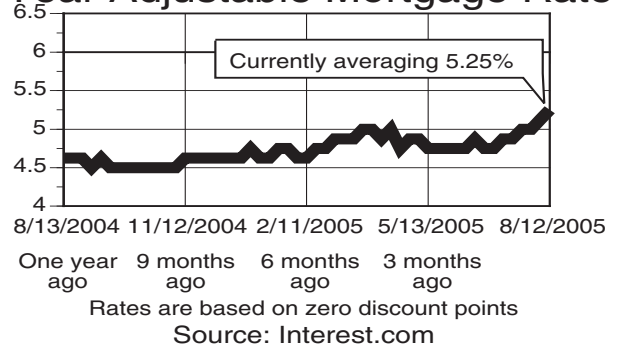
--PR Newswire

MORTGAGE MARKET MONITOR

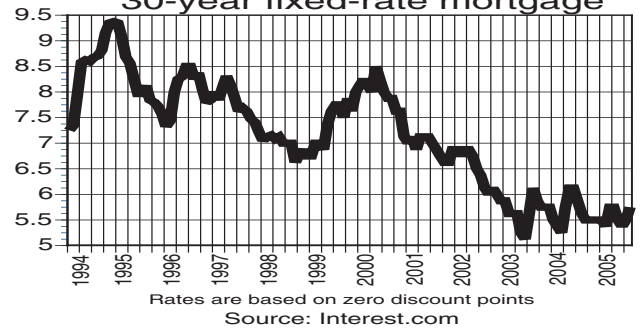
15-Year Fixed Mortgage Rate



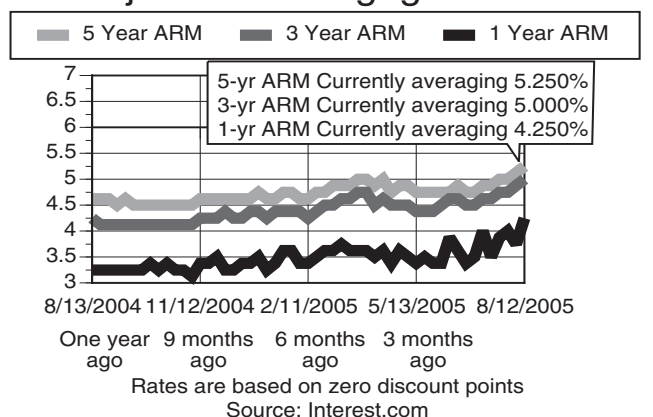
5-Year Adjustable Mortgage Rate



30-year fixed-rate mortgage



Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE

