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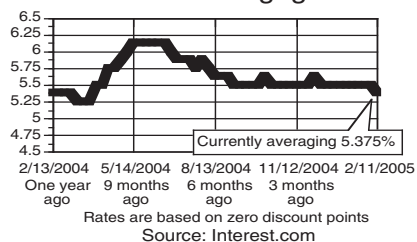
# WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 2-13-05

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

## 30-Year Fixed Mortgage Rate



## KEY INTEREST RATES

U.S. Treasury Yields	2/4/05	2/11/05
2year T-note	3.26%	3.31%
5year T-note	3.65%	3.67%
10 year T-note	4.05%	4.07%
30 year T-Bond	4.46%	4.45%

Discount Rate (wk. end 2/4)	3.50%
Fed Funds Rate (wk. end 2/4)	2.51%
Prime rate (wk. end 2/4)	5.50%

### ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Dec.)	5.71%
12 mo. mvg. avg. (1-yr. TCM) (Jan.)	1.90%
3 mo. LIBOR (FNMA for Jan.)	2.74%
6 mo. LIBOR (FNMA for Jan.)	2.96%
National COFI (Nov)	2.18%
11th District COFI (Dec.)	2.19%
6 month CD (wk. end 2/4)	2.95%
1 Year TCM (wk. end 2/4)	2.95%
2 Year TCM (wk. end 2/4)	3.31%
3 Year TCM (wk. end 2/4)	3.46%
5 Year TCM (wk. end 2/4)	3.72%
7 Year TCM (wk. end 2/4)	3.93%
10 Year TCM (wk. end 2/4)	4.14%
20 Year TCM (wk. end 2/4)	4.62%

### Required Yields for Delivery

	Freddie Mac (2/11/05)			
	10 day	30 day	60 day	90 day
30 year	5.23%	5.24%	5.32%	5.37%
15 year	4.70%	4.74%	4.79%	4.84%

Fannie Mae no longer offers information on required net yields.

## HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Dec.	\$1.03 tril.	+1.1%
Housing Starts	Dec.	2.0 mil.	+10.9%
Building Permits	Dec.	2.02 mil.	-0.3%
Existing Home Sales	Dec.	6.69 mil.	-3.3%
New Home Sales	Dec.	1.10 mil.	+0.1%

### MORTGAGE APPLICATION INDEXES (MBA)

	Wk. ended Feb.4, 2005	Change
Number of purchase applications	Up	+1.0%
Number of refinance applications	Up	+7.8%



## Active Buying in Treasuries Keeps Mortgage Rates Low Week in review 2/7/05 - 2/11/05

It was a good week for U.S. Treasury securities and a great week for mortgage rates - many of which edged down. Momentum from the weaker-than-expected January employment report carried over into the week of Feb. 7, sending Treasuries prices up and yields, which move in the opposite direction of prices, down. In fact, the yield on the benchmark 10-year note that mortgage lenders use to set rates, fell below 4 percent - if only for one day -- for the first time in more than four months. Two successful bond auctions boosted demand for government debt, and statements from Fed officials allaying fears of inflation only added to the clamor. As a result, yields slid and mortgage lenders were able to follow by lowering rates on many mortgage products.

Treasuries didn't hit a speed bump until Thursday, when they sold off on a disappointing 10-year note auction and stronger-than-expected first-time jobless claims. For the week ended Feb. 4, claims fell to 303,000 - the lowest level in four years. The more closely watched four-week average, which smoothes volatility, slipped

to 315,000 -- its lowest level since November 2000. The U.S. trade deficit in December narrowed to \$56.4 billion from a revised, record-setting \$59.3 billion in November. In 2004, however, the deficit increased by 24.4 percent. The expanding deficit with China - rising 30.6 percent in 2004 -- had substantial impact on the bottom line. Consumer credit rose by only \$3.1 billion in December, while wholesale trade inventories climbed by a mere 0.4 percent versus a revised 1.2-percent increase in November.

Low mortgage rates for the week ended Feb. 4 had little impact on mortgage applications, according to the Mortgage Bankers Association. Refinances remained active, rising 7.8 percent, but purchase applications crept up by only 1.0 percent. The 30-year fixed-rate mortgage (based on zero discount points) was the chief beneficiary of the drop in yields, with the rate falling to 5.375 percent. The 15-year fixed-rate is now just above 4.875 percent, while the introductory rate on the volatile one-year adjustable-rate mortgage held at 3.375 percent.

## Mortgage Rates Likely to Creep Back Up Week in preview 2/14/05 - 2/18/05

The week of Feb. 14 should keep the financial markets humming, as several market movers are scheduled for release. Not only is there a lot of data on manufacturing, but January retail sales and the producer price index (PPI) also are on the docket. The PPI will be of special interest as it monitors inflation at the wholesale level. In addition, housing starts and building permits for January will be eyed after making big upward moves in December. Analysts are expecting small to moderate gains in most categories. However, Treasury yields began to creep up at the end of last week due to selling on employment claims. This will likely result in rates moving back up to previous levels. If this week's data come in on target, however, rates should hold t here.

Monday the only event scheduled is the weekly auction of 3 & 6 month T-bills. The

Tuesday calendar is much busier, with retail sales for January due. In addition, there are two weekly surveys on retail sales that come out every Tuesday. The NY Empire State index on February manufacturing conditions also will be released and can impact the markets.

On Wednesday Housing Starts and Building Permits for January come out, along with Industrial Production data.

Thursday has weekly first-time unemployment claims for the week ended Feb. 11. January reports on the Index of Leading Indicators and U.S. Import/Export price indices also are scheduled.

The week closes on Friday with the closely-watched Producer Price Index for January along with the preliminary February Consumer Sentiment Survey from the University of Michigan.

### EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Feb. 14	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill	
Feb. 15	8:00 am	ICSC-UBS report on chain store sales (Wk. end 2/11)	
	8:00 am	Redbook report on retail sales (Wk. end 2/11)	
	8:30 am	Advance Retail Sales/ ex-auto (Jan.)	-0.4%/ +0.5%
	8:30 am	Business Inventories/ Sales (Dec.)	+0.3% (inv.)
	8:30 am	NY Empire State Index of Feb. Manufacturing Conditions	19.5
Feb. 16	8:30 am	Housing Starts (Jan.)	1.94 mil.
	8:30 am	Building Permits (Jan.)	2.0 mil.
	9:15 am	Industrial Production & Capacity Utilization (Jan.)	+0.3%/ 79.3%
Feb. 17	noon	Philadelphia Fed Report on Feb. manufacturing conditions	17.4
	8:30 am	Weekly Unemployment Claims (Wk. end 2/11)	320,000
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes (Jan.)	NA
	10:00 am	Index of Leading Indicators (Jan.)	-0.2%
Feb. 18	8:30 am	Producer Price Index/core rate (Jan.)	+0.4%/ +0.2%
	9:45 am	Univ. of Mich. Sentiment Survey (Feb.prelim.)	95.4

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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 -- FEBRUARY 2005

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS	
Jan. 31	8:30 am	Personal Income and Outlays	Dec.	Commerce Dept.	+0.6%/ +0.8%	+0.3%/ +0.2%	
	10:00 am	Chicago Purchasing Managers Institute releases	index of Jan. Mfg. Conditions		62.4	61.2	
	10:00 am	New Home Sales	Dec.	Commerce Dept.	+0.1% @ 1.1 mil.	-12% @ 1.125 mil.	
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills					
Feb. 1	8:00 am	ICSC/UBS report on chain store sales	Wk. end Jan. 28		-1.9%	NA	
	8:00 am	Redbook report on retail sales	Wk. end Jan. 28		NA	NA	
	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			56.4	57.3 (rev.)	
	10:00 am	New Construction	Dec.		+1.1%	unch.	
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	316,000	325,000	
	8:30 am	Productivity & Costs (rev.)	3rd Qtr.		+0.8%/	+1.8%/ +1.8%	
	10:00 am	Institute of Supply Management releases index of Jan. Non-Mfg. Conditions			59.2	63.9 (rev.)	
	10:00 am	Factory Orders	Jan.	Commerce Dept.	+0.3%	+0.5%	
Feb. 4	8:30 am	The Employment Report	Jan.	Dept. of Labor	+146,000 @ 5.2%	+133,000 @ 5.4% (rev.)	
	8:30 am	Hourly wage earnings	Jan.	Dept. of Labor	+0.2% @ \$16.86	+0.1% @ \$15.83	
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Jan.	Univ. of Michigan	95.5	95.8	
Feb. 7	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills					
	3:00 pm	Consumer Credit	Dec.	Federal Reserve	+\$3.1 bil.	\$8.7 bil.	
Feb. 8	8:00 am	ICSC/UBS report on chain store sales	Wk. end Feb. 4		+2.2%	-1.9%	
	8:00 am	Redbook report on retail sales	Wk. end Feb. 4 vs. 1 yr. ago		+2.3%	NA	
Feb. 9	10:00 am	Wholesale trade/Inventories and Sales	Dec.	Commerce Dept.	+0.4%/ +0.9%	+1.2%/ +0.8% (rev.)	
Feb. 10	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 4	Dept. of Labor	303,000	316,000	
	8:30 am	U.S. Internat. Trade in Goods & Services (deficit)	Dec.	Commerce Dept.	\$56.4 bil.	\$59.3 bil.(rev.)	
	2:00 pm	Treasury Statement (monthly budget)					\$8.7 bil.
Feb. 11		<b>There are no economic reports scheduled for release.</b>					
Feb. 14	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill					
Feb. 15	8:00 am	ICSC-UBS report on chain store sales	Wk. end Feb. 11			+2.2%	
	8:00 am	Redbook report on retail sales	Wk. end Feb. 11	+3.1%		+2.3%	
	8:30 am	Advance Retail Sales/ ex-auto	Jan.	Commerce Dept.		+1.2%/ +0.3%	
	8:30 am	Business Inventories/ Sales	Dec.	Commerce Dept.		+1%/ +0.4%	
	8:30 am	NY Empire State Index of Feb. Manufacturing Conditions				20.08	
Feb. 16	8:30 am	Housing Starts	Jan.	Commerce Dept.		+10.9% @ 2 mil.	
	8:30 am	Building Permits	Jan.	Commerce Dept.		-0.3% @ 2.02 mil.	
	9:15 am	Industrial Production & Capacity Utilization	Jan.	Federal Reserve		+0.8%/ 79.2%	
Feb. 17	noon	Philadelphia Fed Report on Feb. manufacturing conditions					13.2
	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 11	Dept. of Labor		303,000	
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Jan.	Commerce Dept.		-1.3%/ +0.2%	
	10:00 am	Index of Leading Indicators	Jan.	Conference Board		+0.2%	
Feb. 18	8:30 am	Producer Price Index/core rate	Jan.	Dept. of Labor		-0.7%/ +0.1%	
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Feb.	Univ. of Michigan		95.5	
Feb. 21		<b>The federal government and financial markets will be closed to observe Presidents Day</b>					
Feb. 22	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill					
	10:00 am	Consumer Confidence Report	Feb.	Conference Board		103.4	
Feb. 23	8:00 am	ICSC-UBS report on chain store sales	Wk. end Feb. 18				
	8:00 am	Redbook report on retail sales	Wk. end Feb. 18				
	8:30 am	Consumer Price Index/core rate	Jan.	Dept. of Labor		-0.1%/ +0.2%	
Feb. 24	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 18	Dept. of Labor			
	8:30 am	Durable Goods Orders (adv.)	Jan.	Commerce Dept.		+0.6%	
Feb. 25	8:30 am	Gross Domestic Product (prelim.)	4th Qtr.	Commerce Dept.		+3.1%	
	8:30 am	GDP Chain Deflator (prelim.)	4th Qtr.	Commerce Dept.		+2.0%	
	10:00 am	Existing Home Sales	Jan.	Natl. Assn. of Realtors®		-3.3% @ 6.69 mil.	
Feb. 28	8:30 am	Personal Income and Outlays	Jan.	Commerce Dept.		+0.3%/ +0.2%	
	10:00 am	Chicago Purchasing Managers Institute releases	index of Feb. Mfg. Conditions			62.4	
	10:00 am	New Home Sales	Jan.	Commerce Dept.		+0.1% @ 1.098 mil.	
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills					+0.1% @ 1.1 mil.
Mar. 1	8:00 am	ICSC-UBS report on chain store sales	Wk. end Feb. 25				
	8:00 am	Redbook report on retail sales	Wk. end Feb. 25				
	8:30 am	New Construction	Jan.			+1.1%	
	10:00 am	Institute of Supply Management releases index of Feb. Mfg. Conditions				56.4	
Mar. 2		<b>There are no economic reports scheduled for release.</b>					
Mar. 3	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 25	Dept. of Labor			
	8:30 am	Productivity & Costs (rev.)	4th Qtr.			+0.8%/ +2.3%	
	10:00 am	Institute of Supply Management releases index of Feb. Non-Mfg. Conditions				59.2	
Mar. 4	8:30 am	The Employment Report	Feb.	Dept. of Labor		+1146,000 @ 5.2%	
	8:30 am	Hourly wage earnings	Feb.	Dept. of Labor		+0.1% @ \$15.83	
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Feb.	Univ. of Michigan			
	10:00 am	Factory Orders	Jan.	Commerce Dept.		+0.3%	

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



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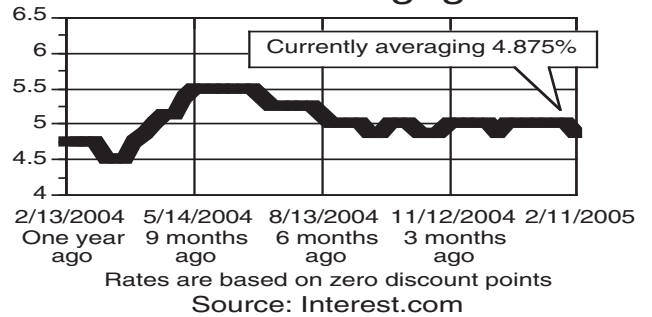
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## INDUSTRY NEWS

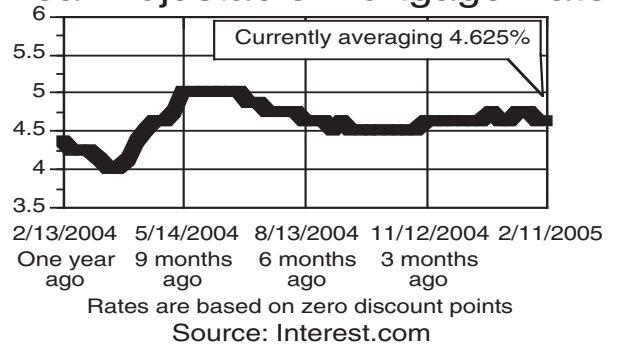
### Freddie Mac Economic Outlook for February 2005

## MORTGAGE MARKET MONITOR

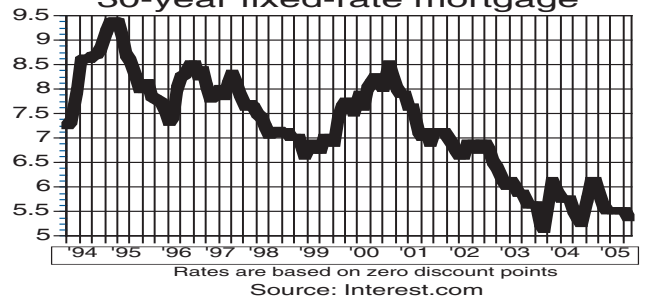
### 15-Year Fixed Mortgage Rate



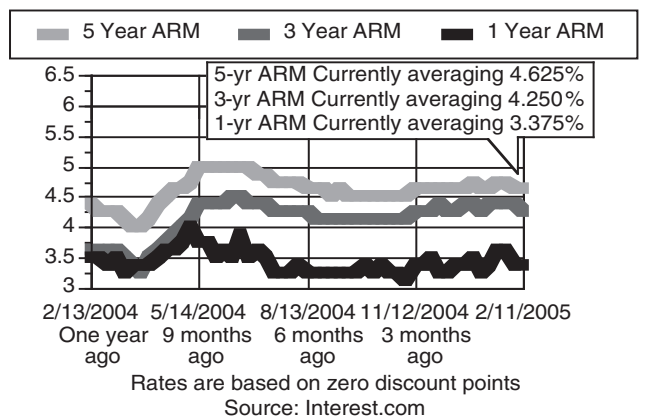
### 5-Year Adjustable Mortgage Rate



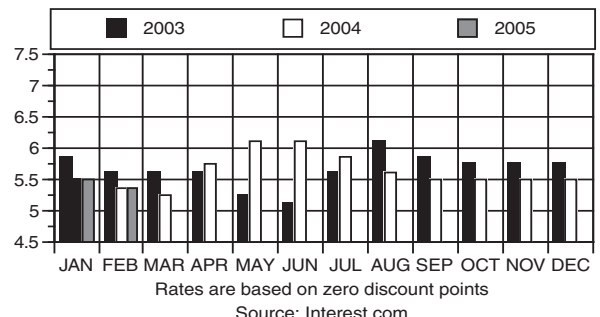
### 30-year fixed-rate mortgage



### Adjustable Mortgage Rates



### 30 YEAR FIXED MORTGAGE RATE



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