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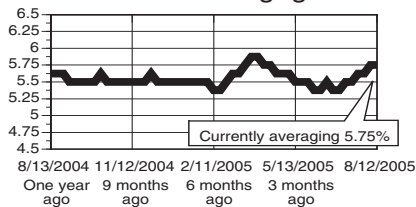
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 3-06-05

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

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	2/25/05	3/4/05
2year T-note	3.53%	3.55%
5year T-note	3.90%	3.95%
10 year T-note	4.26%	4.32%
30 year T-Bond	4.63%	4.67%
Discount Rate (wk. end 2/25)	3.50%	
Fed Funds Rate (wk. end 2/25)	2.52%	
Prime rate (wk. end 2/25)	5.50%	

ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Jan.)	5.72%
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 (Dec.)	2.22%
11th District COFI (Jan.)	2.18%
6 month CD (wk. end 2/25)	3.08%
1 Year TCM (wk. end 2/25)	3.13%
2 Year TCM (wk. end 2/25)	3.50%
3 Year TCM (wk. end 2/25)	3.65%
5 Year TCM (wk. end 2/25)	3.89%
7 Year TCM (wk. end 2/25)	4.09%
10 Year TCM (wk. end 2/25)	4.28%
20 Year TCM (wk. end 2/25)	4.74%

Required Yields for Delivery

	Freddie Mac (3/4/05)			
	10 day	30 day	60 day	90 day
30 year	5.49%	5.52%	5.57%	5.62%
15 year	4.95%	4.98%	5.03%	5.08%

Fannie Mae no longer offers information on required net yields.

HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Jan.	\$1.03 tril.	+0.7%
Housing Starts	Jan.	2.16 mil.	+4.85%
Building Permits	Jan.	2.11 mil.	+2.43%
Existing Home Sales	Jan.	6.68 mil.	-0.1%
New Home Sales	Jan.	1.06 mil.	-9.2%

MORTGAGE APPLICATION INDEXES (MBA)

	Wk. ended Feb.25, 2005	
Number of purchase applications	Up	+5.3%
Number of refinance applications	Down	-9.9%



Mortgage Rates Climb

Week in review 2/28/05 - 3/4/05

Mortgage rates have been inching their way up for a couple of weeks, but the progression has been slow. Things changed, however, when a report suggesting inflation might be on the rise was released and rampant selling in U.S. Treasuries took hold. Bond traders fear inflation as it erodes value of fixed-rate assets, such as bonds. Selling forced Treasury prices down sharply and sent yields, which move in the opposite direction of prices, soaring. In fact, the yield on the 10-year note that lenders use as a guide to set mortgage rates climbed to its highest level since August 2004. These increases were factored into mortgage rates, which rose in almost all categories. But the February Employment report sparked a big Treasury rally, sending yields tumbling. The actual impact of this move will not likely be known for a day or two.

In February 262,000 jobs were added to non-farm payrolls, which was better than expected but not as strong as feared. And with the workweek and hourly wages holding steady, inflation was not a factor. The culprit during the week was the Price Index for Consumer Spending - a component of the Commerce Dept.'s Personal Income/Outlay report for January and one of the Federal Reserve's favored inflation indices. Although

the headline numbers were in line, core spending saw its biggest increase since October 2001. In a separate report, new home sales fell by 9.2 percent - more than expected. The Chicago PMI index on February manufacturing conditions edged up, but the employment index rose significantly, stoking fears of a strong jobs report. The nationwide ISM index on manufacturing, which came out the next day, told a different story. Both 'employment' and 'prices paid' were down, soothing traders. A revised fourth-quarter productivity and costs report also calmed traders' nerves, as it showed a strong upward revision in productivity, which allows wages to increase without concerns of inflation.

A weekly survey of mortgage applications showed refis down and purchases up as home buyers scrambled to take advantage of still-low rates. For the week ended Feb. 25, applications to purchase rose 5.3 percent, while refis plunged 9.9 percent, according to the Mortgage Bankers Association. The 30-year fixed-rate mortgage (based on zero discount points) is just below 5.625 percent, while the 15-year fixed-rate is above 5.125 percent. The introductory rate on the one-year adjustable-rate mortgage remains under 3.625 percent.

Mortgage Rates Could Edge Down to Previous Levels

Week in preview 3/7/05 - 3/11/05

Traders will get a break this week as few reports are on the docket. The only market-movers appear to be the U.S. trade deficit for January and weekly first-time employment claims. Other reports, such as the monthly Treasury budget and consumer credit releases, are usually non-factors. The Fed's so-called Beige Book, a national economic overview due out Wednesday, is released 13 days prior to each Fed meeting and provides an overview of the nation's economy, which could rattle the markets. With the yield on the 10-year note continuing to drop, it is possible that mortgage rates could edge back down to previous levels and stay there due to lack of consequential economic data being released.

On Monday the weekly auction of 3-

and 6-month Treasury bills will be held, and the Consumer Credit Report for January will be released.

Two retail surveys detailing sales in malls and other retail outlets across the country are the only reports due on Tuesday, and their impact on the markets is minimal. The Fed Beige Book is the only report due out on Wednesday.

First-time unemployment claims for the week ended March 4 are due Thursday along with Wholesale Inventories for January and the monthly Treasury statement for February.

The sole report Friday is on the U.S. trade deficit for January. This will likely have more impact on the dollar than on the markets.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Mar. 7	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills	
	3:00 pm	Consumer Credit (Jan.)	\$7.8 bil.
Mar. 8	8:00 am	ICSC/UBS report on chain store sales (Wk. end 3/4)	
	8:00 am	Redbook report on retail sales (Wk. end 3/4)	
Mar. 9	noon	FOMC releases beige book	
Mar. 10	8:30 am	Weekly Unemployment Claims (Wk. end 3/4)	305,000
	10:00 am	Wholesale trade/Inventories and Sales (Jan.)	+0.7% (inv.)
	2:00 pm	Treasury Statement (monthly Feb. budget)	-\$99 bil.
Mar. 11	8:30 am	U.S. Internatl. Trade in Goods & Services (Jan. deficit)	\$56.5 bil.

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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	
Feb. 28	8:30 am	Personal Income and Outlays	Jan.	Commerce Dept.	-2.3%/ unch.	+3.7%/ +0.8%	
	10:00 am	Chicago Purchasing Managers Institute releases index of Feb. Mfg. Conditions			62.7	62.4	
	10:00 am	New Home Sales	Jan.	Commerce Dept.	-9.2% @ 1.06 mil.	+0.1% @ 1.1 mil.	
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills					
Mar. 1	8:00 am	ICSC-UBS report on chain store sales	Wk. end Mar. 25		NA	NA	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 25		NA	NA	
	8:30 am	New Construction	Jan.		+0.7%	+1.1%	
	10:00 am	Institute of Supply Management releases index of Feb. Mfg. Conditions			55.3	56.4	
Mar. 2		There are no economic reports scheduled for release.					
Mar. 3	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 25	Dept. of Labor	310,000	311,000 (rev.)	
	8:30 am	Productivity & Costs (rev.)	4th Qtr.		+2.1%/ 1.3%	+0.8%/ +2.3%	
	10:00 am	Institute of Supply Management releases index of Feb. Non-Mfg. Conditions			59.8	59.2	
Mar. 4	8:30 am	The Employment Report	Feb.	Dept. of Labor	+264,000 @ 5.4%	+146,000 @ 5.2%	
	8:30 am	Hourly wage earnings	Feb.	Dept. of Labor	unch.	+0.1% @ \$15.83	
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Feb.	Univ. of Michigan	94.1	95.5	
	10:00 am	Factory Orders	Jan.	Commerce Dept.	+0.2%	+0.3%	
Mar. 7	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills					
	3:00 pm	Consumer Credit	Jan.	Federal Reserve	_____	+\$3.1 bil.	
Mar. 8	8:00 am	ICSC-UBS report on chain store sales	Wk. end Mar. 4		_____	NA	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 4 vs. 1 yr. ago		_____	NA	
Mar. 9	noon	FOMC releases beige book					
Mar. 10	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 4	Dept. of Labor	_____	310,000	
	10:00 am	Wholesale trade/Inventories and Sales	Jan.	Commerce Dept.	_____	+0.4%/ +0.9%	
	2:00 pm	Treasury Statement (monthly budget)	Feb.	Treasury Dept.	_____	\$8.7 bil.	
Mar. 11	8:30 am	U.S. Internat. Trade in Goods & Services (deficit)	Jan.	Commerce Dept.	_____	\$56.4 bil.	
Mar. 14	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill					
Mar. 15	8:00 am	ICSC-UBS report on chain store sales	Wk. end Mar. 11		_____	_____	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 11		_____	_____	
	8:30 am	Advance Retail Sales/ ex-auto	Feb.	Commerce Dept.	_____	-0.3%/ +0.6%	
	8:30 am	Business Inventories/ Sales	Jan.	Commerce Dept.	_____	+0.2%/	
	8:30 am	NY Empire State Index of Mar. Manufacturing Conditions			19.2		
Mar. 16	8:30 am	Housing Starts	Feb.	Commerce Dept.	_____	+4.85% @ 2.16 mil.	
	8:30 am	Building Permits	Feb.	Commerce Dept.	_____	+2.43% @ 2.11 mil.	
	9:15 am	Industrial Production & Capacity Utilization	Feb.	Federal Reserve	_____	0%/ 79.0%	
Mar. 17	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 11	Dept. of Labor	_____	_____	
	10:00 am	Index of Leading Indicators	Feb.	Conference Board	_____	-0.3%	
	noon	Philadelphia Fed Report on Mar. manufacturing conditions		Federal Reserve	_____	23.9	
Mar. 18	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Feb.	Commerce Dept.	_____	+0.9%/ +0.7%	
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Mar.	Univ. of Michigan	_____	94.1	
Mar. 21	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill					
Mar. 22	8:00 am	ICSC-UBS report on chain store sales	Wk. end Mar. 18		_____	_____	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 18		_____	_____	
	8:30 am	Producer Price Index/core rate	Feb.	Dept. of Labor	_____	+0.3%/ +0.8%	
	2:15 pm	FOMC releases its decision regarding interest rates					+25
basis points							
Mar. 23	8:30 am	Consumer Price Index/core rate	Feb.	Dept. of Labor	_____	+0.1%/ +0.2%	
	10:00 am	Existing Home Sales	Feb.	Natl. Assn. of Realtors®	_____	-0.1% @ 6.8 mil	
Mar. 24	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 18	Dept. of Labor	_____	_____	
	8:30 am	Durable Goods Orders (adv.)	Feb.	Commerce Dept.	_____	-0.9%	
	10:00 am	New Home Sales	Feb.	Commerce Dept.	_____	-9.2% @ 1.06 mil.	
Mar. 25		The financial markets will be closed to observe Good Friday.					
Mar. 28	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills					+0.1% @ 1.1 mil.
Mar. 29	8:00 am	ICSC-UBS report on chain store sales	Wk. end Mar. 25		_____	_____	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 25		_____	_____	
	10:00 am	Consumer Confidence Report	Mar.	Conference Board	_____	104.4	
Mar. 30	8:30 am	Gross Domestic Product (final)	4th Qtr.	Commerce Dept.	_____	+3.8%	
	8:30 am	GDP Chain Deflator (final)	4th Qtr.	Commerce Dept.	_____	+2.1%	
	8:30 am	Corporate Profits	4th Qtr.	Commerce Dept.	_____	_____	
Mar. 31	8:30 am	Personal Income and Outlays	Feb.	Commerce Dept.	_____	+3.7%/ +0.8%	
	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 25	Dept. of Labor	_____	_____	
	10:00 am	Factory Orders	Feb.	Commerce Dept.	_____	+0.2%	
	10:00 am	Chicago Purchasing Managers Institute releases index of Mar. Mfg. Conditions			_____	62.4	
Apr. 1	8:30 am	The Employment Report	Mar.	Dept. of Labor	_____	+262,000 @ 5.4%	
	8:30 am	Hourly wage earnings	Mar.	Dept. of Labor	_____	+0.1% @ \$15.83	
	8:30 am	New Construction	Feb.		_____	+0.7%	
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Mar.	Univ. of Michigan	_____	94.1	
	10:00 am	Institute of Supply Management releases index of Mar. Mfg. Conditions			_____	55.3	

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



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INDUSTRY NEWS

STRONG HOUSE PRICE GROWTH REFLECTS VIBRANT HOUSING MARKET

McLean, VA – Freddie Mac announced that its quarterly Conventional Mortgage Home Price Index (CMHPI) rose 10.7 percent, on an annual basis, from the fourth quarter of 2003 through the fourth quarter of 2004, up from an 8.4 percent growth rate for the prior year.

“House price growth strengthened last year in light of low mortgage rates and an expanding economy. During 2003 and 2004, homeowners enjoyed two years in which 30-year fixed mortgage rates averaged just 5.8 percent—the lowest in more than 40 years,” said Frank Nothaft, Freddie Mac vice president and chief economist. “Economic growth hit 3.9% in 2004 and payroll employment increased by 2.2 million jobs. An improved labor market and gains in family income contributed to a record level of home sales and single-family construction, as well as an exceptional pace of home-value appreciation.”

Fourth-quarter CMHPI shows strong growth primarily along the coastal areas where populations are growing rapidly and there is little available land on which to build new homes.

“We are expecting national home price growth to slow in 2005 as a result of higher interest rates; however, there is no reason to expect a decline in house prices as long as job growth continues,” added Nothaft.

Nationally, home values increased by an annualized rate of almost 9 percent in the fourth quarter of 2004. The annualized growth rate in the third quarter of 2004 was revised upward to 17.5 percent.

“Home construction and sales were exceptional last year,” said Nothaft. “Sales of new and existing houses and pre-owned condominiums all set records in 2004, with total sales of 8.0 million. We expect that mortgage rates will gradually rise throughout this year, with 30-year-fixed mortgage rates averaging near 6.25 percent at year-end, with home sales likely to decline about 3 percent from last year’s volume.”

“We are forecasting annual home price appreciation nationally at between 7 percent and 8 percent in 2005. Strong home sales and higher values should propel purchase-money mortgage originations to another record this year – at around \$1.51 trillion, up from 2004’s estimated \$1.48 trillion – but total originations will likely decline due to smaller refinance volumes caused by the predicted rise in interest rates.”

For the seventh consecutive quarter, the Pacific states lead the nation in annual house-price appreciation, growing at 17.7 percent. The South Atlantic states were second, with a growth rate of 14.1 percent, followed by the Middle Atlantic states, which grew at a slower, but still impressive rate of 13.5 percent for the year. The New England states were fourth in growth with an annual appreciation rate of 12.6 percent.

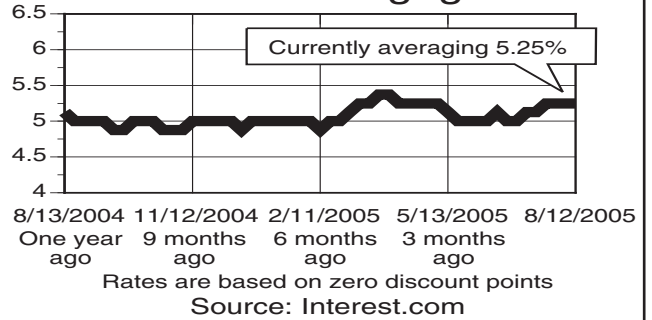
The Mountain states were next with an annual home-price growth rate of 9.8 percent. Following the Mountain states, the West North Central states posted an increase of 6.2 percent, while the East North Central states showed an increase of 5.8 percent. Finally, the East South Central states had gains of 5.6 percent and the West South Central states had the slowest annual appreciation—a 4.3 percent annual rate.

“The fourth quarter of 2004 is the 38th consecutive quarter in which all nine regions of the United States had positive annual home price growth,” noted Yan Chang, a Freddie Mac economist. “While the appreciation has been broadly experienced across all areas, the magnitude of the growth is not enjoyed equally among regions. Those areas with weaker local economic activity generally show the slowest appreciation rates. For example, the weakness in manufacturing employment has led to job loss and slower house price increases in many markets in the East North Central states.”

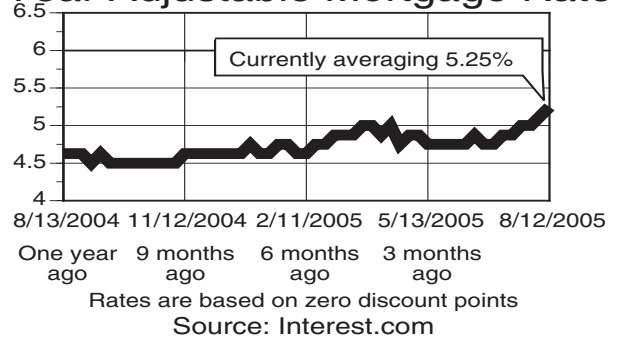
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MORTGAGE MARKET MONITOR

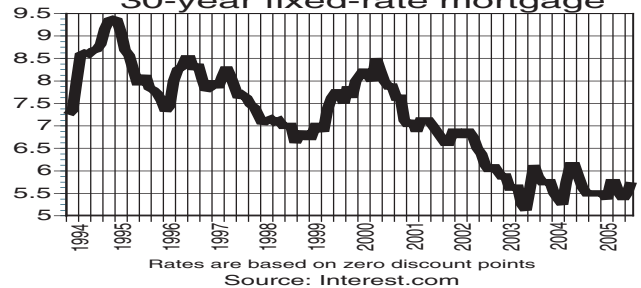
15-Year Fixed Mortgage Rate



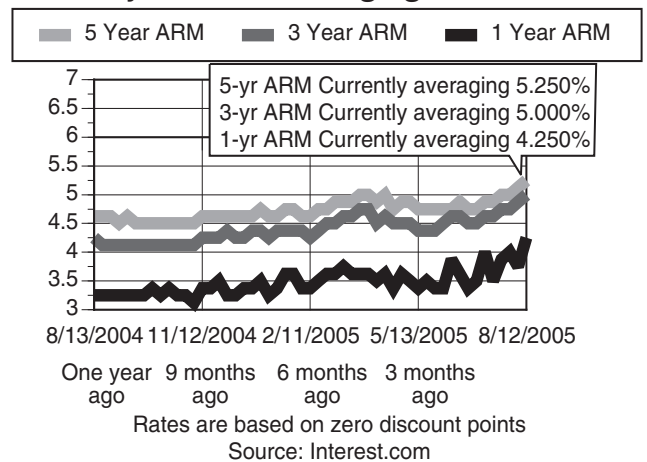
5-Year Adjustable Mortgage Rate



30-year fixed-rate mortgage



Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE

