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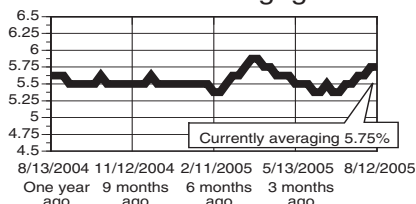
# WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 3-27-05

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

## 30-Year Fixed Mortgage Rate



## KEY INTEREST RATES

U.S. Treasury Yields	3/18/05	3/25/05
2year T-note	3.70%	3.85%
5year T-note	4.15%	4.32%
10 year T-note	4.49%	4.60%
30 year T-Bond	4.79%	4.84%

Discount Rate (wk. end 3/18)	3.50%
Fed Funds Rate (wk. end 3/18)	2.55%
Prime rate (wk. end 3/25)	5.75%

### ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Jan.)	5.72%
12 mo. mvg. avg. (1-yr. TCM) (Feb.)	2.18%
3 mo. LIBOR (FNMA for Feb.)	2.91%
6 mo. LIBOR (FNMA for Feb.)	3.15%
National COFI (Jan.)	2.27%
11th District COFI (Jan.)	2.18%
6 month CD (wk. end 3/18)	3.24%
1 Year TCM (wk. end 3/18)	3.31%
2 Year TCM (wk. end 3/18)	3.73%
3 Year TCM (wk. end 3/18)	3.93%
5 Year TCM (wk. end 3/18)	4.18%
7 Year TCM (wk. end 3/18)	4.35%
10 Year TCM (wk. end 3/18)	4.51%
20 Year TCM (wk. end 3/18)	4.91%

### Required Yields for Delivery

	Freddie Mac (3/24/05)			
	10 day	30 day	60 day	90 day
30 year	5.81%	5.85%	5.90%	5.95%
15 year	5.27%	5.30%	5.35%	5.40%

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	Feb.	2.20 mil.	+0.5%
Building Permits	Feb.	2.07 mil.	-2.7%
Existing Home Sales	Feb.	6.79 mil.	-0.4%
New Home Sales	Feb.	1.23 mil.	+9.4%

### MORTGAGE APPLICATION INDEXES (MBA)

	Wk. ended March 18, 2005	
Number of purchase applications	Down	-3.5%
Number of refinance applications	Down	-16.5%



## Fed Comments Send Mortgage Rates Up

Week in review 3/21/05 - 3/25/05

It was a tough week for U.S. Treasuries, and as a result mortgage rates climbed. As expected, the Federal Reserve on Tuesday signaled a 25-basis-point hike in short-term interest rates, but it was the Fed's concern about inflation in the accompanying statement that ignited a huge sell-off in Treasuries. The Fed said, "Pressures on inflation have picked up in recent months and pricing power is more evident." Inflation erodes the value of fixed-rate assets, such as bonds.

The specter of inflation in the not-too-distant future sparked selling that sent Treasury prices plunging and yields, which move in the opposite direction of prices, soaring. The spike in Treasury yields that are used as guides to set mortgage rates forced lenders to increase rates on most mortgage products.

A stronger-than-expected Consumer Price Index (CPI) also rattled traders, but over-sold conditions resulting from Tuesday's credit tightening kept a lid on selling. The CPI, which checks inflation at the retail level, rose 0.4 percent in February and the core rate, which excludes volatile food and energy prices, rose 0.3 percent - both a tad higher than

analysts' expectations. The Producer Price Index was more bond-friendly, rising 0.4 percent, but showing a core increase of a benign 0.1 percent. New homes sales in February stunned the markets, rising 9.4 percent to an annual rate of 1.23 million units - far above forecasts. Existing home sales remained strong in February. Although they edged down 0.4 percent, they came in at a still-healthy annual rate of 6.79 million units. February Durable Goods Orders disappointed, increasing by a far-less-than-expected 0.3 percent. First-time unemployment claims for the week ended March 18 rose by 3,000.

Rising mortgage rates took their toll on mortgage activity for the week ended March 18, according to the Mortgage Bankers Association. Applications to purchase fell 3.5 percent, while refinances plunged 16.5 percent. Rates rose on the majority of products, with the 30-year fixed-rate mortgage (based on zero discount points) now just below 5.875 percent. The 15-year fixed-rate is slightly under 5.375 percent, while the introductory rate on the one-year adjustable-rate mortgage is nudging 3.625 percent.

## Mortgage Rates Likely to Remain High

Week in preview 3/28/05 - 4/1/05

This week features reports on manufacturing conditions, consumer confidence and the final fourth-quarter Gross Domestic Product, with manufacturing and consumer data wielding the most clout. The week ends with the March employment report - the 800-pound gorilla of economic news. Although job creation will be key, there will likely be more focus on the wages component, as inflationary pressures remain in the fore. Manufacturing data could move Treasuries up or down, but if the majority of reports come in on target, mortgage rates should remain near elevated levels.

The end-of-the-month/beginning-of-the-month is packed with market-moving news, beginning with the Consumer Confidence report on Tuesday and ending

with employment numbers on Friday -- the first day of April.

A report on Consumer Confidence in March is Tuesday's only important data. Wednesday has the final look at fourth-quarter Gross Domestic Product, but there are no major revisions expected.

The Chicago PMI index on March manufacturing conditions will be the most-watched indicator on Thursday. It will be joined by weekly first-time unemployment claims, Factory Orders for February and Personal Income/Outlays.

The March employment report will grab headlines on Friday, but the University of Michigan will release its final sentiment survey for March and the ISM index on manufacturing conditions in March is also due.

### EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Mar. 28	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills	.
Mar. 29	8:00 am	ICSC-UBS report on chain store sales (Wk. end 3/25)	
	8:00 am	Redbook report on retail sales (Wk. end 3/25)	
	10:00 am	Consumer Confidence Report (Mar.)	102.2
Mar. 30	8:30 am	Gross Domestic Product (4th Qtr.final)	+3.9%
	8:30 am	GDP Chain Deflator (4th Qtr.final)	+2.1%
	8:30 am	Corporate Profits (4th Qtr.)	
Mar. 31	8:30 am	Personal Income and Outlays (Feb.)	+0.5% / +0.6%
	8:30 am	Weekly Unemployment Claims (Wk. end 3/25)	320,000
	10:00 am	Factory Orders (Feb.)	+0.6%
	10:00 am	Chicago PMI releases index of Mar. Mfg. Conditions	60.5
Apr. 1	8:30 am	The Employment Report (Mar.)	225,000 @ 5.3%
	8:30 am	Hourly wage earnings (Mar.)	+0.3%
	8:30 am	New Construction (Feb.)	+0.5%
	9:45 am	Univ. of Mich. Sentiment Survey (Mar. final)	92.9
	10:00 am	ISM releases index of Mar. Mfg. Conditions	55

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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 -- MARCH 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 Feb. 25		NA	NA	
	8:00 am	Redbook report on retail sales	Wk. end Feb. 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		<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	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	\$11.5 bil.	\$3.1 bil.	
Mar. 8	8:00 am	ICSC-UBS report on chain store sales	Wk. end Mar. 4		NA	NA	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 4		NA	NA	
Mar. 9	2:00 pm	FOMC releases beige book					
Mar. 10	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 4	Dept. of Labor	327,000	310,000	
	10:00 am	Wholesale trade/Inventories and Sales	Jan.	Commerce Dept.	+1.1% (inv.)	+0.4%/ +0.9%	
	2:00 pm	Treasury Statement (monthly budget)	Feb.	Treasury Dept.	-\$113.9 bil.	-\$96.76 bil.	
Mar. 11	8:30 am	U.S. Internat. Trade in Goods & Services (deficit)	Jan.	Commerce Dept.	\$59.4 bil.	\$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		NA	NA	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 11		NA	NA	
	8:30 am	Advance Retail Sales/ ex-auto	Feb.	Commerce Dept.	+0.5%/ +0.4%	-0.3%/ +0.6%	
	8:30 am	Business Inventories/ Sales	Jan.	Commerce Dept.	+0.9%	+0.2%	
	8:30 am	NY Empire State Index of Mar. Manufacturing Conditions			19.6	19.2	
Mar. 16	8:30 am	Housing Starts	Feb.	Commerce Dept.	+0.5% @ 2.2 mil.	+6.2% @ 2.18 mil. (rev.)	
	8:30 am	Building Permits	Feb.	Commerce Dept.	-2.7% @ 2.07 mil.	+3.0% @ 2.13 mil.	
	9:15 am	Industrial Production & Capacity Utilization	Feb.	Federal Reserve	+0.3%/ 79.4%	0%/ 79.0%	
Mar. 17	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 11	Dept. of Labor	318,000	328,000 (rev.)	
	10:00 am	Index of Leading Indicators	Feb.	Conference Board	+0.1%	-0.3%	
	noon	Philadelphia Fed Report on Mar. manufacturing conditions		Federal Reserve	11.4	23.9	
Mar. 18	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Feb.	Commerce Dept.	+0.2%/ +0.1%	+0.9%/ +0.7%	
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Mar.	Univ. of Michigan	92.9	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		NA	NA	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 18		NA	NA	
	8:30 am	Producer Price Index/core rate	Feb.	Dept. of Labor	+0.4%/ +0.1%	+0.3%/ +0.8%	
	2:15 pm	FOMC releases its decision regarding interest rates					
Mar. 23	8:30 am	Consumer Price Index/core rate	Feb.	Dept. of Labor	+0.4%/ +0.3%	+0.1%/ +0.2%	
	10:00 am	Existing Home Sales	Feb.	Natl. Assn. of Realtors®	-0.4% @ 6.79 mil.	-0.1% @ 6.82 mil (rev.)	
Mar. 24	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 18	Dept. of Labor	324,000	321,000 (rev.)	
	8:30 am	Durable Goods Orders (adv.)	Feb.	Commerce Dept.	+0.3%	-0.9%	
	10:00 am	New Home Sales	Feb.	Commerce Dept.	+9.4% @ 1.23 mil.	-9.2% @ 1.06 mil.	
Mar. 25		<b>The financial markets will be closed to observe Good Friday.</b>					
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		_____	NA	
	8:00 am	Redbook report on retail sales	Wk. end Mar. 25		_____	NA	
	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	_____	324,000	
	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

### FEAR OF INFLATION NUDGES MORTGAGE RATES HIGHER FOR THE SIXTH CONSECUTIVE WEEK Long- and Short-Term Rates Rise This Week

McLEAN, VA -- Freddie Mac released the results of its Primary Mortgage Market Survey in which the 30-year fixed-rate mortgage (FRM) averaged 6.01 percent, with an average 0.7 points, for the week ending March 24, 2005, up from last week when it averaged 5.95 percent. Last year at this time, the 30-year FRM averaged 5.40 percent.

The average for the 15-year FRM this week is 5.56 percent, with an average 0.7 points, up from last week when it averaged 5.47 percent. A year ago, the 15-year FRM averaged 4.70 percent.

Five-Year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.35 percent this week, with an average 0.7 points, up from 5.31 last week. There is no annual historical information for last year since Freddie Mac only began tracking this mortgage rate at the start of this year.

One-year Treasury-indexed adjustable-rate mortgages (ARMs) averaged 4.24 percent this week, with an average 0.8 point, up from last week when it averaged 4.20 percent. At this time last year, the one-year ARM averaged 3.36 percent.

(Average commitment rates should be reported along with average fees and points to reflect the total cost of obtaining the mortgage.)

"Renewed concern over the threat of inflation pushed up long-term mortgage rates, while the most recent FOMC statement caused short-term rates to float upwards," said Frank Nothaft, Freddie Mac vice president and chief economist. "Although mortgage rates have risen these past six weeks, they still remain at very affordable levels.

"This would explain why new home sales figures were surprisingly high in February. Although mortgage rates are beginning to rise, we have yet to experience much of a slow down in the housing market."

--PR Newswire

### Did You Know?

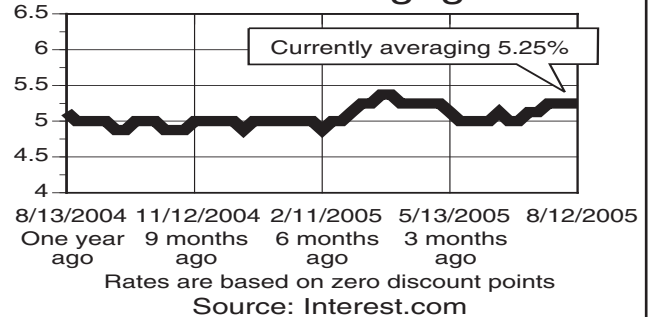
The interest rate on a 30-year FRM\* (with zero discount points) as reported on the fourth Thursday of every month for the past year:

Mar. 24, 2005	5.875%
Feb. 25, 2005	5.375%
Jan. 28, 2005	5.50%
Dec. 24, 2004	5.50%
Nov. 26, 2004	5.50%
Oct. 22, 2004	5.50%
Sept. 24, 2004	5.50%
Aug. 27, 2004	5.625%
July 23, 2004	5.75%
June 25, 2004	6.00%
May 28, 2004	6.125%
Apr. 23, 2004	5.75%
Mar. 26, 2004	5.25%

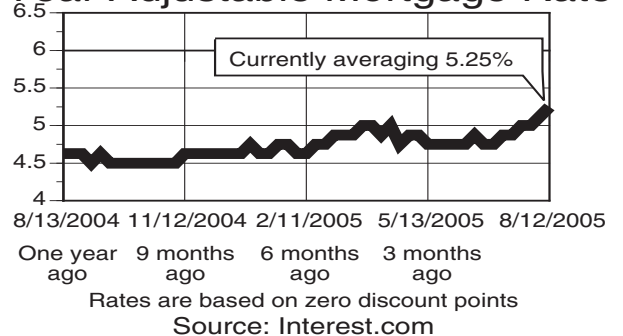
\*Rates are averaged from the rates posted by lenders on Interest.com for the date specified.

## MORTGAGE MARKET MONITOR

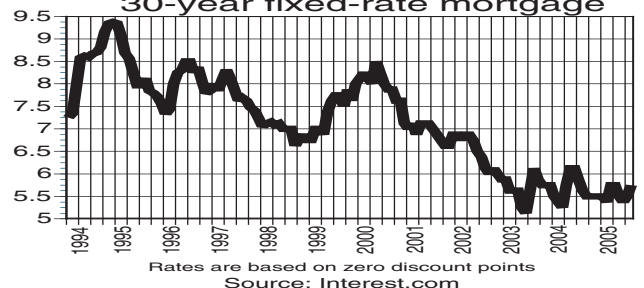
### 15-Year Fixed Mortgage Rate



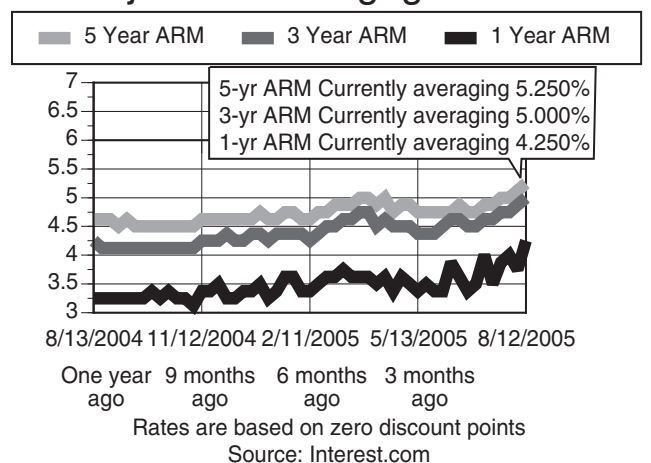
### 5-Year Adjustable Mortgage Rate



### 30-year fixed-rate mortgage



### Adjustable Mortgage Rates



### 30 YEAR FIXED MORTGAGE RATE

