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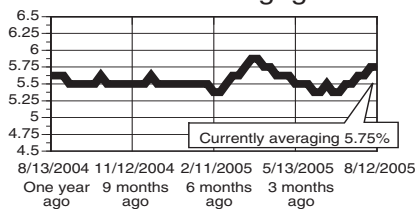
# WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 4-3-05

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

## 30-Year Fixed Mortgage Rate



Rates are based on zero discount points  
Source: Interest.com

## KEY INTEREST RATES

U.S. Treasury Yields	3/25/05	4/1/05
2year T-note	3.85%	3.77%
5year T-note	4.32%	4.17%
10 year T-note	4.60%	4.48%
30 year T-Bond	4.84%	4.75%

Discount Rate (wk. end 3/25)	3.75%
Fed Funds Rate (wk. end 3/25)	2.71%
Prime rate (wk. end 3/25)	5.75%

### ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Feb.)	5.68%
12 mo. mvg. avg. (1-yr. TCM) (Feb.)	2.18%
3 mo. LIBOR (FNMA for Mar.)	3.10%
6 mo. LIBOR (FNMA for Mar.)	3.39%
National COFI (Jan.)	2.27%
11th District COFI (Feb.)	2.32%
6 month CD (wk. end 3/25)	3.30%
1 Year TCM (wk. end 3/25)	3.38%
2 Year TCM (wk. end 3/25)	3.83%
3 Year TCM (wk. end 3/25)	4.03%
5 Year TCM (wk. end 3/25)	4.27%
7 Year TCM (wk. end 3/25)	4.42%
10 Year TCM (wk. end 3/25)	4.59%
20 Year TCM (wk. end 3/25)	4.98%

### Required Yields for Delivery

	Freddie Mac (4/1/05)			
	10 day	30 day	60 day	90 day
30 year	5.67%	5.71%	5.77%	5.82%
15 year	5.16%	5.20%	5.25%	5.30%

Fannie Mae no longer offers information on required net yields.

## HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Feb.	\$1.05 tril.	+0.4%
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 25, 2005	
Number of purchase applications	Up +5.5%
Number of refinance applications	Down -2.0%



## Mortgage Rates Remain at Elevated Levels

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

Bond traders prepared for the worst early in the week, selling U.S. Treasuries in anticipation of strong readings on a number of key economic reports. Traders priced in bigger Fed rate hikes that might be needed to control inflation. The aggressive selling sent Treasury prices down and yields, which move in the opposite direction of prices, up, as the yield on the 10-year note hit its highest level since June. But when the expected strength in the reports failed to materialize, relief spawned renewed interest in Treasuries, and yields edged back down. Although the yield on the benchmark 10-year note that lenders use as a guide to set mortgage rates retreated, it has refused to hold below 4.5 percent. This has sent rates on some mortgage products higher, while others have remained at newly elevated levels.

The feared indicators turned out to be more bond-friendly than expected. The Employment Report for March showed weaker-than-expected job growth, with only 110,000 jobs added to non-farm payrolls. And the wages component did not show inflationary trends, bolstering Treasuries. But the ISM report on manufacturing conditions pointed to a jump in the prices-paid index, which sent

Treasury yields back up. Consumer confidence in March fell to 102.4, with escalating oil prices weighing on shoppers.

The final revision of fourth-quarter Gross Domestic Product (GDP) held at an increase of 3.8 percent, and the inflation indicator within the GDP was benign. Weekly first-time unemployment claims soared for the week ended March 25, adding 20,000 to hit 350,000 - considered by economists as the new line dividing expansion from contraction in the labor market. Personal income in February rose 0.3 percent, but the key consumption index showed little in the way of inflationary pressures. Construction spending in February rose 0.4 percent -- a little less than expected.

Although rates edged up, the Mortgage Bankers Association reported mixed mortgage activity for the week ended March 25. Applications to purchase rose 5.5 percent, while refinances fell 2.0 percent. Rates have been erratic this week, with the 30-year fixed-rate mortgage (based on zero discount points) waffling between 5.75 percent and 5.875 percent, while the 15-year fixed-rate is just over 5.375 percent. The introductory rate on the volatile one-year adjustable-rate mortgage remains at 3.625 percent.

## Mortgage Rates Should Hold Fairly Steady

Week in preview 4/4/05 - 4/8/05

The first week in April is light on economic news. On Tuesday the ISM index on the service sector for March is due. Since it was accidentally released on Friday, however, it will contain few surprises -- but it was stronger than expected. Three other reports will come out on Thursday: first-time unemployment claims for the week ended April 1; and February reports on wholesale trade and consumer credit. In the coming week the markets could be influenced by first-quarter corporate earnings reports that will begin to trickle in. The lack of influential data, however, should allow mortgage rates to hold near new levels or possibly edge down.

On Monday the U.S. Treasury Department conducts its weekly auction of 3-

and 6-month Treasury bills, but that is the only event on the schedule.

On Tuesday the Institute of Supply Management releases its index of non-manufacturing conditions for March, which covers the service sector. Although the service sector outweighs the manufacturing sector in terms of employment, the impact of this report is less significant.

The weekly first-time jobless claims come out Thursday morning and might be a factor. Wholesale inventories and Consumer Credit for February will also be released, but they are not considered market movers.

There are no reports scheduled for release on either Wednesday or Friday.

### EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Apr. 4	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills	
Apr. 5	8:00 am	ICSC/UBS report on chain store sales (Wk. end 4/1)	
	8:00 am	Redbook report on retail sales (Wk. end 4/1)	
	10:00 am	ISM releases index of Mar. Non-Mfg. Conditions	63.5
Apr. 6		<b>No economic indicators are scheduled for release</b>	
Apr. 7	8:30 am	Weekly Unemployment Claims (Wk. end 4/1)	325,000
	10:00 am	Wholesale trade/Inventories and Sales (Feb.)	+0.8% (inv.)
	3:00 pm	Consumer Credit (Feb.)	\$7.5 bil.
Apr. 8		<b>No economic indicators are scheduled for release</b>	

Interest.com--all times Eastern Daylight Time



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Keeping you abreast of the ever-changing mortgage market

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## TRACKING THE ECONOMY -- APRIL 2005

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS
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 Mar. 25		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end Mar. 25		NA	NA
	10:00 am	Consumer Confidence Report	Mar.	Conference Board	102.4	104.4
Mar. 30	8:30 am	Gross Domestic Product (final)	4th Qtr.	Commerce Dept.	unch.	+3.8%
	8:30 am	GDP Chain Deflator (final)	4th Qtr.	Commerce Dept.	+2.3%	+2.1%
Mar. 31	8:30 am	Personal Income and Outlays	Feb.	Commerce Dept.	+0.3%/ +0.5%	+3.7%/ +0.8%
	8:30 am	Weekly Unemployment Claims	Wk. end Mar. 25	Dept. of Labor	350,000	330,000 (rev.)
	10:00 am	Factory Orders	Feb.	Commerce Dept.	+0.2%	+0.2%
	10:00 am	Chicago Purchasing Managers Institute releases index of Mar. Mfg. Conditions			69.2	62.7
Apr. 1	8:30 am	The Employment Report	Mar.	Dept. of Labor	110,000 @ 5.2%	+243000 @ 5.4%(rev.)
	8:30 am	Hourly wage earnings	Mar.	Dept. of Labor	+0.3% @ \$15.95	+0.1% @ \$15.93
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Mar.	Univ. of Michigan	92.6	94.1
	10:00 am	Institute of Supply Management releases index of Mar. Mfg. Conditions			55.2	55.3
	10:00 am	New Construction	Feb.		+0.4%	+0.7%
Apr. 4	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Apr. 5	8:00 am	ICSC-UBS report on chain store sales	Wk. end Apr. 1			NA
	8:00 am	Redbook report on retail sales	Wk. end Apr. 1			NA
	10:00 am	Institute of Supply Management releases index of non-Mfg. Conditions for March				59.8
Apr. 6		<b>No economic indicators are scheduled for release</b>				
Apr. 7	8:30 am	Weekly Unemployment Claims	Wk. end Apr. 1	Dept. of Labor		350,000
	10:00 am	Wholesale trade/Inventories and Sales	Feb..	Commerce Dept.		+1.1% (inv.)
	3:00 pm	Consumer Credit	Feb.	Federal Reserve		\$11.5 bil.
Apr. 8		<b>No economic indicators are scheduled for release</b>				
Apr. 11	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
Apr. 12	8:00 am	ICSC-UBS report on chain store sales	Wk. end Apr. 8			
	8:00 am	Redbook report on retail sales	Wk. end Apr. 8			
	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Feb.	Commerce Dept.		\$59.4 bil.
	2:00 pm	Treasury Statement (monthly budget)	Mar.	Treasury Dept.		-\$113.9 bil.
	8:30 am	NY Empire State Index of Mar. Manufacturing Conditions				19.6
Apr. 13	8:30 am	Advance Retail Sales/ ex-auto	Mar.	Commerce Dept.		+0.5%/ +0.4%
Apr. 14	8:30 am	Weekly Unemployment Claims	Wk. end Apr. 8	Dept. of Labor		
	8:30 am	Business Inventories/ Sales	Feb.	Commerce Dept.		+0.9%
	noon	Philadelphia Fed Report on Mar. manufacturing conditions		Federal Reserve		11.4
Apr. 15	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Mar.	Commerce Dept.		+0.2%/ +0.1%
	9:15 am	Industrial Production & Capacity Utilization	Mar.	Federal Reserve		+0.3%/ 79.4%
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Apr.	Univ. of Michigan		92.6
Apr. 18	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
Apr. 19	8:00 am	ICSC-UBS report on chain store sales	Wk. end Apr. 15			
	8:00 am	Redbook report on retail sales	Wk. end Apr. 15			
	8:30 am	Producer Price Index/core rate	Mar.	Dept. of Labor		+0.4%/ +0.1%
	8:30 am	Housing Starts	Mar.	Commerce Dept.		+0.5% @ 2.2 mil.
	8:30 am	Building Permits	Mar.	Commerce Dept.		-2.7% @ 2.07 mil.
Apr. 20	8:30 am	Consumer Price Index/core rate	Mar.	Dept. of Labor		+0.4%/ +0.3%
	2:00 pm	FOMC releases beige book				
Apr. 21	8:30 am	Weekly Unemployment Claims	Wk. end Apr. 15	Dept. of Labor		
	10:00 am	Index of Leading Indicators	Mar.	Conference Board		+0.1%
Apr. 22		<b>No economic indicators are scheduled for release</b>				
Apr. 25	10:00 am	Existing Home Sales	Mar.	Natl. Assn. of Realtors®		-0.4% @ 6.79 mil.
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Apr. 26	8:00 am	ICSC-UBS report on chain store sales	Wk. end Apr. 22			NA
	8:00 am	Redbook report on retail sales	Wk. end Apr. 22			NA
	10:00 am	New Home Sales	Mar.	Commerce Dept.		+9.4% @ 1.23 mil.
	10:00 am	Consumer Confidence Report	Apr.	Conference Board		102.4
Apr. 27	8:30 am	Durable Goods Orders (adv.)	Mar.	Commerce Dept.		+0.3%
Apr. 28	8:30 am	Gross Domestic Product (adv.)	1st Qtr.	Commerce Dept.		+3.8%
	8:30 am	GDP Chain Deflator (adv.)	1st Qtr.	Commerce Dept.		+2.1%
	8:30 am	Weekly Unemployment Claims	Wk. end Apr. 22	Dept. of Labor		
Apr. 29	8:30 am	Personal Income and Outlays	Mar.	Commerce Dept.		+0.3%/ +0.5%
	8:30 am	Employment Cost Index	1st Qtr.			
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Apr.	Univ. of Michigan		
	10:00 am	Chicago Purchasing Managers Institute releases index of Apr. Mfg. Conditions				69.2

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



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## INDUSTRY NEWS

### A Plan to Prepay the Mortgage Should Be a Defensive Position in Any Investment Portfolio

ATLANTA -- The Mortgage Institute For Financial Services Professionals (MIFSP) finds that the best defensive position in any investment portfolio, for a person who has a mortgage, is a plan to prepay the mortgage. MIFSP also recommends that disclosure of the guaranteed return and no-cost-no-risk nature of prepaying the mortgage should be a self-imposed ethics obligation for any financial services professional that sells investments or investment advice.

"Most financial services professionals make inappropriate comparisons between prepaying the mortgage and investing," says Leon Morris, QFP, ChFC, CLU, ACS, RFC, RMP, FFSI, Executive Director of MIFSP.

"When comparing prepaying the mortgage to investment alternatives, it's very common for professionals to make improper risk comparisons, improper tax calculations, and/or to ignore the impacts of the source of funds being invested, not to mention failing to factor in the impact of the consumer's contractual obligation to pay the mortgage while waiting for expected investment returns. It wouldn't be surprising if consumers start holding these professionals liable for financial damages resulting from inappropriate comparisons," says Morris.

"When consumers invest, more than likely, they are expecting that their investments will grow sufficiently to keep them securely in their homes. The performance of the investment portfolio isn't guaranteed, but the results of effectively managing your mortgage can be," says Morris. He believes that with anticipated changes to Social Security the pressure on the financial services professionals to get it "right" is increased even more so. "When things go awry, the consumers bear the risk, but the financial services professional faces the potential liability," says Morris.

As the financial services industry evolves, there may be instances when the soundness of many aspects of the consumer's future are entrusted to the care of one financial services provider and/or one financial services professional (FSP).

"If you're a financial planner or registered representative offering mortgage origination services, or even if you don't, you should be prepared to defend allegations that you recommended certain mortgage transactions or investment transactions that were inconsistent with your clients' financial goals, objectives and risk temperament, or that you failed to make them aware of less risky ways to reach those goals," says Morris.

"It would be extremely hard for any investment to beat the wide-ranging benefits and extremely low risk and low cost of prepaying your mortgage. However, if you don't want to apply all of your discretionary funds toward prepaying the mortgage, it should at least be included in your investment strategy," says Morris.

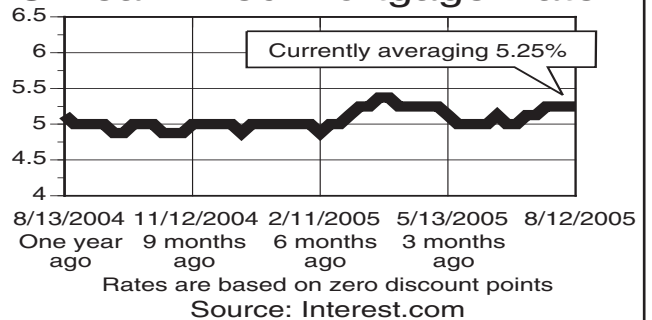
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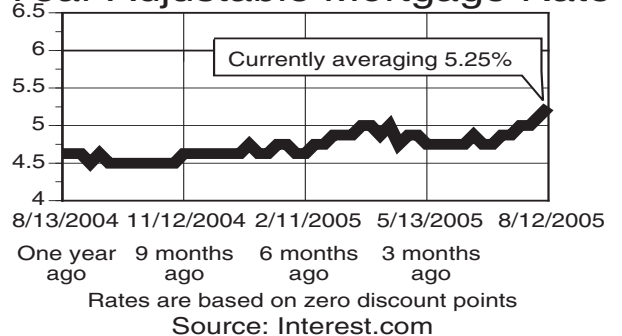
Call 888-278-7348

## MORTGAGE MARKET MONITOR

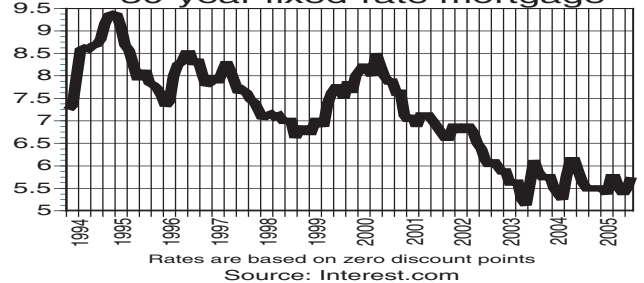
### 15-Year Fixed Mortgage Rate



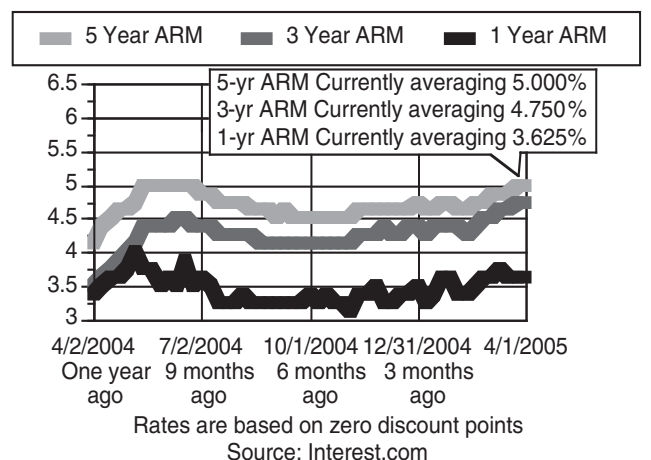
### 5-Year Adjustable Mortgage Rate



### 30-year fixed-rate mortgage



### Adjustable Mortgage Rates



### 30 YEAR FIXED MORTGAGE RATE

