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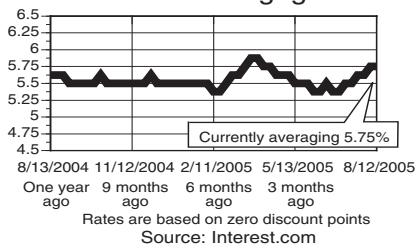
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 5-8-05

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

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	4/29/05	5/6/05
2 year T-note	3.63%	3.71%
5 year T-note	3.87%	3.94%
10 year T-note	4.19%	4.25%
30 year T-Bond	4.50%	4.63%

Discount Rate (wk. end 4/29)	3.75%
Fed Funds Rate (wk. end 4/29)	2.74%
Prime rate (as of 5/3/05)	6.00%

ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Mar.)	5.76%
12 mo. mvg. avg. (1-yr. TCM) (Mar.)	2.27%
3 mo. LIBOR (FNMA for Apr.)	3.21%
6 mo. LIBOR (FNMA for Apr.)	3.42%
National COFI (Feb.)	2.30%
11th District COFI (Mar.)	2.32%
6 month CD (wk. end 4/29)	3.36%
1 Year TCM (wk. end 4/29)	3.33%
2 Year TCM (wk. end 4/29)	3.64%
3 Year TCM (wk. end 4/29)	3.73%
5 Year TCM (wk. end 4/29)	3.91%
7 Year TCM (wk. end 4/29)	4.05%
10 Year TCM (wk. end 4/29)	4.24%
20 Year TCM (wk. end 4/29)	4.64%

Required Yields for Delivery

	Freddie Mac (5/6/05)			
	10 day	30 day	60 day	90 day
30 year	5.49%	5.52%	5.57%	5.63%
15 year	4.97%	5.00%	5.04%	5.10%

Fannie Mae no longer offers information on required net yields.

HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Mar.	\$1.05 tril.	+0.5%
Housing Starts	Mar.	1.84 mil.	-17.6%
Building Permits	Mar.	2.02 mil.	-3.98%
Existing Home Sales	Mar.	6.89 mil.	+1.0%
New Home Sales	Mar.	1.43 mil.	+12.2%

MORTGAGE APPLICATION INDEXES (MBA)

	Wk. ended April 29, 2005	
Number of purchase applications	Up	+0.1%
Number of refinance applications	Up	+0.4%



Mortgage Rates Mostly Unchanged

Week in review 5/2/05 - 5/6/05

U.S. Treasury securities moved up one day and fell the next, but they ended the week on a down note after a stronger-than-expected April employment report was released. Big gains in employment spurred selling in Treasuries as traders saw hope of a pause in Fed rate hikes evaporate. The Fed raised short-term interest rates on Tuesday by an expected 25 basis points but left the important elements of the accompanying statement intact. Economic news was erratic, with some reports coming in stronger than expected, while others missed the mark. Word of the possible reintroduction of the 30-year bond put pressure on current long bonds but had little impact on the benchmark 10-year note. Although the yield on the 10-year, which moves in the opposite direction of price, rose on the jobs report, mortgage rates, which are based on yields, held near levels of last Friday.

In April there were 274,000 jobs added to non-farm payrolls, and job creation in February and March was upwardly revised. Earnings edged up a bit more than forecast, rising 0.3 percent to \$16.00 per hour. The Institute of Supply Management's (ISM) index on April manufacturing conditions was weaker than

expected. The 53.3 reading was well below the 55.2 reported in March, and the closely watched 'prices paid' index edged down. On the other hand, construction spending in March rose 0.5 percent, hitting a record annual rate of \$1.05 trillion. Factory orders for March surprised analysts by rising 0.1 percent, but the ISM index on the service sector fell to 61.7 from 63.1. First-quarter productivity - output per work hour - rose 2.6 percent, outpacing the 2.1 fourth-quarter gain. Labor costs increased by 2.2 percent. First-time unemployment claims rose by 11,000 to 333,000. The more closely watched four-week average dropped by 2,000 to 321,500, its lowest level in two months.

Mortgage activity was relatively quiet for the week ended April 29, according to the Mortgage Bankers Association. Applications to purchase ticked up 0.1 percent, and refinancings edged up 0.4 percent. The rate on the 30-year-fixed mortgage (based on zero discount points) remains well below 5.625 percent, while the 15-year fixed-rate is holding under 5.25 percent. The introductory rate on the volatile one-year adjustable-rate mortgage edged down to 3.5 percent.

Mortgage Rates Should Hold Near Present Levels

Week in preview 5/9/05 - 5/13/05

Each month there is one slow week with regard to economic reports, and the week of May 9 is the one for this month. Of the handful of reports due, the most influential should be retail sales for April, the trade balance for March, and April import/export price indices. Wholesale and business inventories for March, and the University of Michigan sentiment survey also are on the docket. If reports come in close to forecasts, activity in the Treasury markets should be calm, allowing mortgage rates to remain near present levels.

On Monday Wholesale Trade/Inventories and Sales will be released, and the U.S. Treasury will conduct its weekly auction of 3- and 6-month Treasury bills.

Tuesday features two weekly retail sales surveys - one from the Redbook, which monitors sales at 9,000 retail outlets across the country, and the other by the International

Council of Shopping Centers, which looks at sales at major malls in the U.S.

On Wednesday the report on the U.S. trade deficit will be released and could impact the markets. The April monthly statement from the Treasury Department also will be released.

Retail sales for April is due Thursday and could be a market mover, as it looks at consumer spending, which is responsible for two-thirds of the nation's economic activity. A weak report will likely support buying in Treasuries. The weekly first-time jobless claims for the week ended May 6 also is due.

Three reports are set for Friday: Business Inventories/Sales for March; U.S. Import/Export Price Indexes; and the University of Michigan preliminary consumer sentiment survey for April. Although interesting, they are generally low impact in nature.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
May 9	10:00 am	Wholesale trade/Inventories and Sales (Mar.)	+0.9% (inv.)
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill	
May 10	8:00 am	ICSC-UBS report on chain store sales (Wk. end 5/6)	
	8:00 am	Redbook report on retail sales (Wk. end 5/6)	
May 11	8:30 am	U.S. Internatl. Trade in Goods & Services (Mar. deficit)	-\$61.4 bil.
	2:00 pm	Treasury Statement (monthly budget) (April)	-\$53 bil.
May 12	8:30 am	Advance Retail Sales/ ex-auto (April)	+0.7%/ +0.6%
	8:30 am	Weekly Unemployment Claims (Wk. end 5/6)	320,000
May 13	8:30 am	Business Inventories/ Sales (Mar.)	+0.7%
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes (April)	
	9:45 am	Univ. of Mich. Sentiment Survey (May prelim.)	89.0

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Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

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TRACKING THE ECONOMY -- MAY 2005

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS
Apr. 25	10:00 am	Existing Home Sales	Mar.	Natl. Assn. of Realtors®	+1.0% @ 6.89 mil.	-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	NA
	8:00 am	Redbook report on retail sales	Wk. end Apr. 22		NA	NA
	10:00 am	New Home Sales	Mar.	Commerce Dept.	+12.2% @ 1.43 mil.	+9.4% @ 1.23 mil.
	10:00 am	Consumer Confidence Report	Apr.	Conference Board	97.7	103 (rev.)
Apr. 27	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	Mar.	Commerce Dept.	-2.8%/ -1.0%	-0.2%/ -0.2% (rev.)
Apr. 28	8:30 am	Gross Domestic Product (adv.)	1st Qtr.	Commerce Dept.	+3.1%	+3.8%
	8:30 am	GDP Chain Deflator (adv.)	1st Qtr.	Commerce Dept.	+3.2%	+2.34% (rev.)
	8:30 am	Weekly Unemployment Claims	Wk. end Apr. 22	Dept. of Labor	320,000	299,000 (rev.)
Apr. 29	8:30 am	Personal Income and Outlays	Mar.	Commerce Dept.	+0.5%/+0.6%	+0.4%/ +0.7% (rev.)
	8:30 am	Employment Cost Index	1st Qtr.		+0.7%	+0.8% (rev.)
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Apr.	Univ. of Michigan	87.7	88.7
	10:00 am	Chicago Purchasing Managers Institute releases index of Apr. Mfg. Conditions			65.6	69.2
May 2	10:00 am	Institute of Supply Management releases index of Apr. Mfg. Conditions			53.3	55.2
	10:00 am	New Construction	Mar.		+0.5%	+0.4%
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
May 3	8:00 am	ICSC-UBS report on chain store sales	Wk. end Apr. 29		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end Apr. 29		NA	NA
	10:00 am	Factory Orders	April	Commerce Dept.	+0.1%	-0.5% (rev.)
	2:15 pm	FOMC announces its decision on interest rates			+25 basis points	+25 basis points
May 4	10:00 am	ISM releases index of Apr. Non-Mfg. Conditions			61.7	63.1
May 5	8:30 am	Weekly Unemployment Claims	Wk. end Apr. 29	Dept. of Labor	333,000	322,000 (rev.)
	8:30 am	Productivity & Costs	1st Qtr.	Dept. of Labor	+2.6%/ +2.2%	+2.1%/ 1.7% (rev.)
May 6	8:30 am	The Employment Report	April	Dept. of Labor	+274,000 @ 5.2%	+146,000 @ 5.2% (rev.)
	8:30 am	Hourly wage earnings	April	Dept. of Labor	+0.3% @ \$16.00	+0.3% @ \$15.95
	3:00 pm	Consumer Credit	Mar.	Federal Reserve		\$5/6 bil.
May 9	10:00 am	Wholesale trade/Inventories and Sales	Mar.	Commerce Dept.		+0.6%/ -0.4%
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
May 10	8:00 am	ICSC-UBS report on chain store sales	Wk. end May 6			NA
	8:00 am	Redbook report on retail sales	Wk. end May 6			NA
May 11	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Mar.	Commerce Dept.		\$63.1
	2:00 pm	Treasury Statement (monthly budget)	April	Treasury Dept.		-\$72.1 bil.
May 12	8:30 am	Advance Retail Sales/ ex-auto	April	Commerce Dept.		+0.3%/ +0.1
	8:30 am	Weekly Unemployment Claims	Wk. end May 6	Dept. of Labor		333,000
May 13	8:30 am	Business Inventories/ Sales	Mar.	Commerce Dept.		+0.5%/ -0.4%
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	April	Commerce Dept.		+0.2%/ +0.1%
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	May	Univ. of Michigan		88.7
May 16	8:30 am	NY Empire State Index of Mar. Manufacturing Conditions				3.1
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
May 17	8:00 am	ICSC-UBS report on chain store sales	Wk. end May 13			
	8:00 am	Redbook report on retail sales	Wk. end May 13			
	8:30 am	Producer Price Index/core rate	April	Dept. of Labor		+0.7%/ +0.1%
	8:30 am	Housing Starts	April	Commerce Dept.		-17.6% @ 1.84 mil.
	8:30 am	Building Permits	April	Commerce Dept.		-3.98% @ 2.02 mil.
	9:15 am	Industrial Production & Capacity Utilization	April	Federal Reserve		+0.3%/ 79.4%
May 18	8:30 am	Consumer Price Index/core rate	April	Dept. of Labor		+0.6%/ +0.4%
May 19	8:30 am	Weekly Unemployment Claims	Wk. end May 13	Dept. of Labor		
	10:00 am	Index of Leading Indicators	April	Conference Board		-0.4%
	noon	Philadelphia Fed Report on May manufacturing conditions		Federal Reserve		25.3
May 20		No economic indicators are scheduled for release				
May 23	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
May 24	8:00 am	ICSC-UBS report on chain store sales	Wk. end May 20			
	8:00 am	Redbook report on retail sales	Wk. end May 20			
May 25	8:30 am	Durable Goods Orders (adv.)/ex. trans.	April	Commerce Dept.		-2.8%/ -1.0%
	10:00 am	Existing Home Sales	April	Natl. Assn. of Realtors®		+1.0% @ 6.89 mil.
	10:00 am	New Home Sales	April	Commerce Dept.		+12.2% @ 1.43 mil.
May 26	8:30 am	Gross Domestic Product (prelim.)	1st Qtr.	Commerce Dept.		+3.1%
	8:30 am	GDP Chain Deflator (prelim.)	1st Qtr.	Commerce Dept.		+3.2%
	8:30 am	Weekly Unemployment Claims	Wk. end May 20	Dept. of Labor		
May 27	8:30 am	Personal Income and Outlays	April	Commerce Dept.		
	9:45 am	Univ. of Mich. Sentiment Survey (final)	May	Univ. of Michigan		
May 30		The federal government and financial markets will be closed to observe Memorial Day				
May 31	10:00 am	Chicago Purchasing Managers Institute releases index of May Mfg. Conditions				65.6
	10:00 am	Consumer Confidence Report	May	Conference Board		97.7
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
June 1	8:00 am	ICSC-UBS report on chain store sales	Wk. end May 27			
	8:00 am	Redbook report on retail sales	Wk. end May 27			
	10:00 am	Institute of Supply Management releases index of May. Mfg. Conditions				53.3
	10:00 am	New Construction	Mar.			+0.5%
June 2	8:30 am	Weekly Unemployment Claims	Wk. end May 27	Dept. of Labor		
	8:30 am	Productivity & Costs (rev.)	1st Qtr.	Dept. of Labor		+2.6%/ +2.2%
	10:00 am	Factory Orders	April	Commerce Dept.		+0.1%
	10:00 am	Institute of Supply Management releases index of non-Mfg. Conditions for May				61.7
June 3	8:30 am	The Employment Report	May	Dept. of Labor		+274,000 @ 5.2%
	8:30 am	Hourly wage earnings	May	Dept. of Labor		+0.3% @ \$16.00

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



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INDUSTRY NEWS

Experian-Gallup Personal Credit Index Suggests 'Housing Bubble' Could be Widespread

Costa Mesa, Calif., May 5 -- Experian® and The Gallup Organization announced that consumer sentiment about their credit showed little change, with the Experian-Gallup Personal Credit Index(SM) showing only a slight improvement from the prior month. In the benchmark measure published two months ago, the Personal Credit Index stood at 100, but it dropped sharply last month to 82 and has moved slightly upward this month to 86.

"The slight change in the Personal Credit Index suggests that consumers' feelings are stabilizing and perhaps they are experiencing a wait and see outlook with regard to changes in the economy," said Ed Ojdana, group president of Experian Interactive. "With short-term interest rates and housing prices continuing to rise, it's understandable if consumers are being cautious."

In addition to measuring the Personal Credit Index this month, the Experian-Gallup survey asked consumers about the housing market and mortgages. Most consumers expect housing prices and mortgage rates to rise in the next year. Only 5.0 percent of consumers expect housing prices to decline in the next year, while 70 percent expect them to increase, and another 24 percent expect them to remain steady. Among those who expect changes, most say the increases (or declines) will be modest, though about a quarter of all consumers expect housing prices to rise 10 percent or more in their area.

Most consumers, 75 percent, also expect mortgage rates to increase modestly over the next year, while only three percent expect them to decline. About half who expect an increase predict it will be no more than one percentage point, while a third say from one to two points, and the rest think it will be higher than that.

"It's gratifying to see that most consumers are aware that interest rates are on the rise and that mortgage rates will be affected," said Dennis Jacobs, chief economist for The Gallup Organization. "However, since they expect an increase, consumers should now consider alternatives to variable-interest-rate mortgages. If they wait until rates are one or two points higher, they may already be suffering financially."

Most consumers apparently recognize the long-term risks with variable-rate mortgages, preferring a fixed-rate mortgage. The poll shows only 14 percent of all consumers currently have a variable-rate loan on their homes -- including 7.0 percent with a variable-rate mortgage, and the rest with variable rates on either their home equity loans or accounts.

In addition, among consumers who plan on borrowing money against their homes in the next six months, either because of buying a new home or refinancing, about one in five says they would be likely to take out an adjustable-rate loan or mortgage -- with a low initial interest rate initially that would increase after a fixed period of time.

"In addition to rising interest rates, there has been a lot of talk about a housing bubble," said Jacobs. "Our latest survey showed that few consumers are aware of a possible housing bubble. This is troubling because if there is a housing bubble some consumers with mortgages could end up upside down, meaning they will owe more on their mortgage than their home is worth."

Only about a quarter of all consumers have heard of a potential "housing bubble," with 65 percent saying they have heard nothing about it, and another 12 percent saying "only a little." However, when told that a housing bubble is when the prices of houses have increased so quickly and gone so high that it's like a bubble that could burst and suddenly there could be a big drop in the price of houses, about four in 10 consumers say it is either very or somewhat likely that such a situation could occur in their area within the next three years.

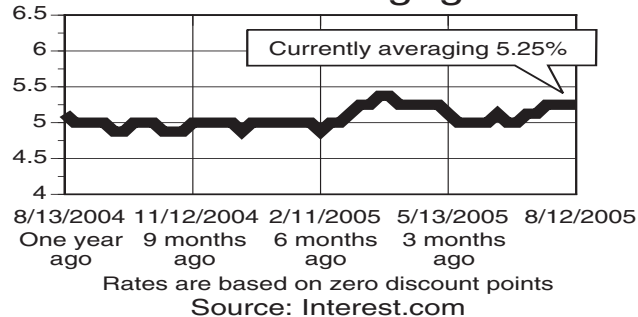
Lower income consumers (under \$40,000 annual household income) are most likely to say a housing bubble could occur in their area -- 46 percent express that view, compared with about 30 to 33 percent among consumers with higher incomes.

More information about the Experian-Gallup Personal Credit Index can be found at: <http://www.PersonalCreditIndex.com>.

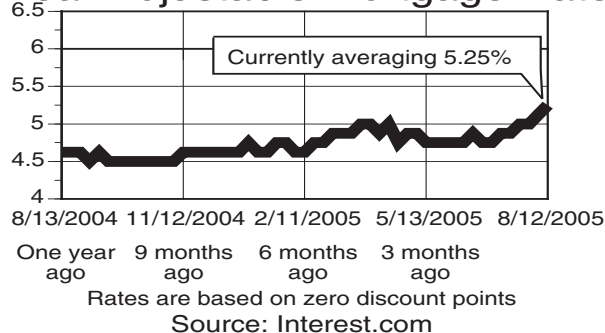
--PR Newswire

MORTGAGE MARKET MONITOR

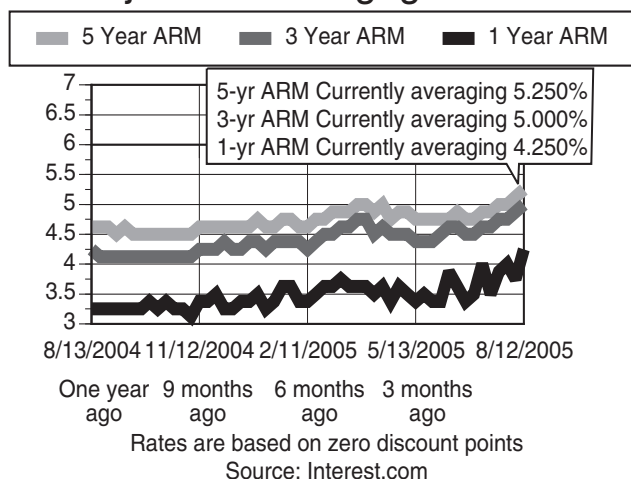
15-Year Fixed Mortgage Rate



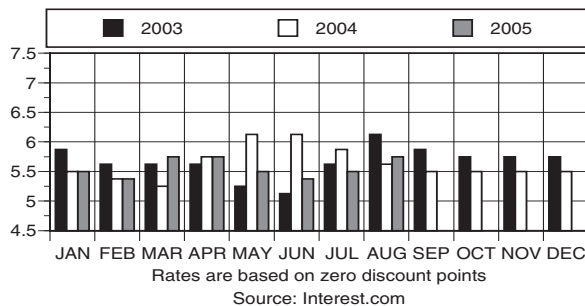
5-Year Adjustable Mortgage Rate



Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE



30-year fixed-rate mortgage

