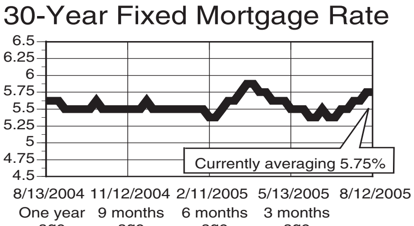
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 5-15-05

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	5/6/05	5/13/05
2 year T-note	3.71%	3.62%
5 year T-note	3.94%	3.84%
10 year T-note	4.25%	4.14%
30 year T-Bond	4.63%	4.49%

Discount Rate	(wk. end 5/6)	4.00%
Fed Funds Rate	(wk. end 5/6)	2.98%
Prime rate	(wk. end 5/6)	6.00%

ARM INDEXES

Natl. Avg. Contract Mtg. Rate	(Mar.)	5.76%
12 mo. mvg. avg. (1-yr. TCM)	(Apr.)	2.51%
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 5/6)	3.39%
1 Year TCM	(wk. end 5/6)	3.33%
2 Year TCM	(wk. end 5/6)	3.65%
3 Year TCM	(wk. end 5/6)	3.72%
5 Year TCM	(wk. end 5/6)	3.88%
7 Year TCM	(wk. end 5/6)	4.03%
10 Year TCM	(wk. end 5/6)	4.22%
20 Year TCM	(wk. end 5/6)	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 May 6, 2005
Number of purchase applications	Up	+9.4%
Number of refinance applications	Up	+9.8%

Moneytalks
A CONSUMER MORTGAGE MAGAZINE

Mortgage Rates Edge Down on Volatility
Week in review 5/9/05 - 5/13/05

It was an up and down week for U.S. Treasury securities, which began on the downside - a fallout from the bullish April employment report released May 6. Visions of slower economic growth were erased by the addition of 274,000 new jobs, and replaced by the threat of more aggressive rate hikes by the Fed. Bond-friendly economic news this week brought buyers back to Treasuries and yields, which move in the opposite direction of prices, edged back down.

Although there were a batch of strong economic reports, buying in Treasuries continued mostly steady to strong. As a result, Treasury yields are below levels reached one week ago. This has allowed mortgage lenders who base their rates on yields to edge rates down on some products.

Treasuries got huge boosts from unexpected sources. Their first big rally of the week was the result of safe-haven buying resulting from weak corporate news and bearish economic outlooks that sent stocks plunging. And the U.S. trade deficit in March posted a six-month low of $55 billion, when analysts were expecting an increase to $62 billion. This strengthened the dollar and encouraged buying in dollar-denominated investments, such as government bonds. A sharp drop in consumer sentiment, as reported by the University of Michigan preliminary May survey, also spurred buying. The index fell to 85.3 when analysts were expecting an increase to 88.

On the downside, Treasury buying all but halted when retail sales in April doubled expectations, rising by an incredible 1.4 percent - the best showing since September. In addition, the core rate, which excludes auto sales, showed an impressive 1.1-percent gain. Signs that the consumer is still buying and the economy continues to roll ignited selling in Treasuries. Upbeat retail sales overshadowed the fact that first-time unemployment claims rose by 4,000 to 340,000, when a decline to 327,000 was forecast.

Attractive mortgage rates spurred mortgage activity for the week ended May 6, according to the Mortgage Bankers Association. Applications to purchase rose 9.4 percent, and refinancings climbed 9.8 percent. The rate on the 30-year-fixed mortgage (based on zero discount points) is waffling between 5.625 percent and 5.50 percent, while the 15-year fixed-rate slipped to 5.125 percent. The introductory rate on the one-year adjustable-rate mortgage edged down to 3.50 percent.

Mortgage Rates Likely to Edge Down
Week in preview 5/16/05 - 5/20/05

There are nine economic reports due the week of May 16, with the most important of these being the Consumer Price Index for April, as it monitors inflation at the retail level and can have a big impact on Treasuries. Releases on housing and manufacturing could also be factors in market activity. Mortgage rates should edge down over the weekend in response to Friday's rally, and if inflation appears under control and other reports come in on target, rates should hold near lower levels.

Monday begins with the release of the NY Empire State Index on May manufacturing conditions. It is closely watched as it is the first of several such regional reports.

Tuesday features several reports, the most important being the Producer Price Index, which monitors inflation at the wholesale level. Readings above or below forecasts could impact the markets. Housing Starts and Building Permits will offer the first read on the housing market for April. In addition, Industrial Production and Capacity Utilization will be released. Two weekly retail sales surveys also are scheduled.

The Consumer Price Index -- the most influential report of the week -- is on tap for Wednesday. It looks for inflation at the retail level, and if it finds more than is forecast that will pressure the markets.

Thursday has weekly first-time jobless claims for the week ended May 13 and the Philly Fed index on manufacturing conditions for May, which could move the markets. The Index of Leading Economic Indicators is also due.

No releases are scheduled for Friday.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
May 16	8:30 am	NY Empire State Index of May Manufacturing Conditions	13.0
	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 5/13)	
	8:00 am	Redbook report on retail sales (Wk. end 5/13)	
	8:30 am	Producer Price Index/core rate (April)	+0.5%/ +0.2%
	8:30 am	Housing Starts (April)	2.01 mil.
	8:30 am	Building Permits (April)	2.05 mil.
	9:15 am	Industrial Production & Capacity Utilization (April)	+0.2%/ 79.5%
May 18	8:30 am	Consumer Price Index/core rate (April)	+0.3%/ +0.2%
May 19	8:30 am	Weekly Unemployment Claims (Wk. end 5/13)	325,000
	10:00 am	Index of Leading Indicators (April)	-0.2%
	noon	Philadelphia Fed Report on May manufacturing conditions	15.5
May 20		**No economic indicators are scheduled for release**	

Interest.com--all times Eastern Daylight Time

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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	$5.5 bil.	$5.6 bil.
May 9	10:00 am	Wholesale trade/Inventories and Sales	Mar.	Commerce Dept.	+0.4%	+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	NA
	8:00 am	Redbook report on retail sales	Wk. end May 6		NA	NA
May 11	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Mar.	Commerce Dept.	$55.0 bil.	$60.6 bil. (rev.)
	2:00 pm	Treasury Statement (monthly budget)	April	Treasury Dept.	$57.7 bil.	$17.6 bil.
May 12	8:30 am	Advance Retail Sales/ ex-auto	April	Commerce Dept.	+1.4%/ 1.1%	+0.3%/ +0.1
	8:30 am	Weekly Unemployment Claims	Wk. end May 6	Dept. of Labor	340,000	336,000 (rev.)
May 13	8:30 am	Business Inventories/ Sales	Mar.	Commerce Dept.	+0.4%/ +0.7%	+0.5%/ -0.4%
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	April	Commerce Dept.	+0.8%/ ++0.6%	+0.2%/ +0.1%
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	May	Univ. of Michigan	85.3	87.7
May 16	8:30 am	NY Empire State Index of May 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		__________	NA
	8:00 am	Redbook report on retail sales	Wk. end May 13		__________	NA
	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	__________	340,000
	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	__________	85.3
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

INTEREST.COM

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FOR THE WEEK OF 5-15-05

INDUSTRY NEWS

Number of America's Working Families Spending More Than Half Their Income on Housing Soars

WASHINGTON -- In just over half a decade the number of America's working families paying more than 50 percent of their income for housing has grown 76 percent, according to a new study entitled The Housing Landscape for America's Working Families 2005, conducted by the Center for Housing Policy, the research affiliate of the National Housing Conference (NHC). Specifically, in 1997 2.4 million working families spent more than half their income on housing, but by 2003 this number had grown dramatically to 4.2 million. This comprehensive study also compares immigrant working families to their native-born counterparts and reveals that immigrant working families are 75 percent more likely to pay more than half their income for housing. Working families are defined as low- to moderate-income families that work the equivalent of a full-time job and earn from the minimum wage of $10,700 and up to 120 percent of the median income in their area. Freddie Mac, one of the nation's largest investors in residential mortgages, funded the study.

This study focuses on working families that had critical housing needs between 1997 and 2003, and was released at an Affordable Housing Forum in Los Angeles sponsored by Century Housing, Freddie Mac and the NHC.

One of every eight, or 14.1 million of all families had critical housing needs in 2003 -- that means they paid more than half their income for housing, and/or lived in physically dilapidated conditions. A total of 5 million of these families are low- to moderate-income working families. In addition, six out of 10 immigrant working families are Hispanic and one-third are from Mexico.

A severe cost burden is the reason why almost 85 percent of working families had critical housing needs while the other 15 percent were living in physically dilapidated conditions.

"These new findings help shed light on a troubling trend across America -- working a full-time job does not guarantee families a decent, affordable place to live," said Barbara Lipman, research director for the Center for Housing Policy. "In fact, the housing problems of working families are more persistent and pervasive than many experts may have thought, and are not only confined to cities, renters, or the East and West coasts."

In 1997 the number of working families was split roughly 50-50 between owners and renters at 51 percent of homeowners and 48 percent of renters. However, by 2003 the number of homeowners with critical housing needs reached 55 percent and the number of renters with these needs was lower at 45 percent.

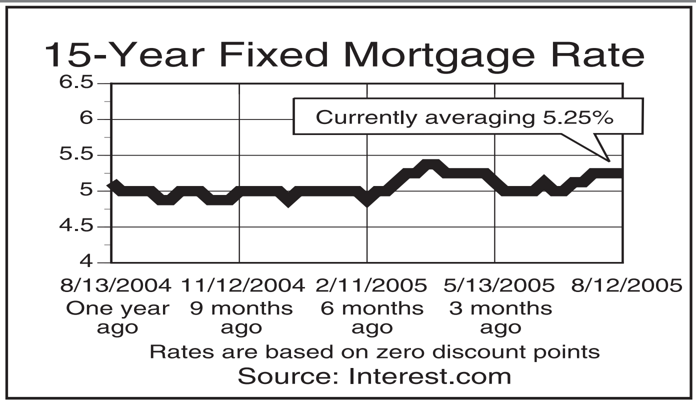
In addition, most homeowner and renter working families were paying more than half their income for housing, but homeowners were more likely to face this problem than renters at almost nine out of 10 versus eight out of 10 respectively. Affordability does, however, account for a growing share of critical needs among renters. For example, in 1997, affordability was the problem for approximately 71 percent of renters, and the problem grew steadily to 79 percent in 2003. Working family renters were more than twice as likely as their homeowner counterparts to live in dilapidated conditions.

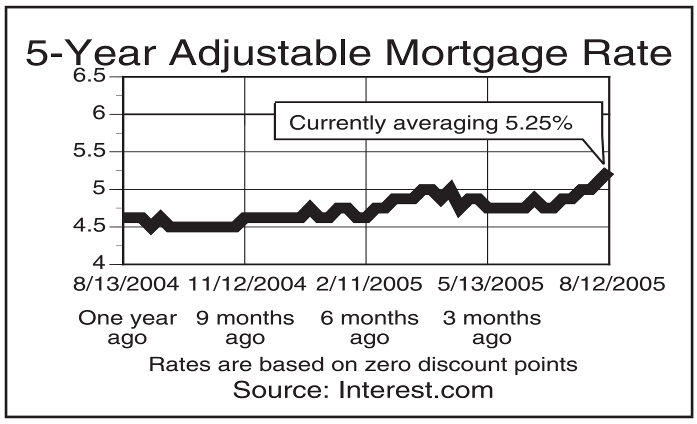
When comparing suburbs to central cities, most homeowners with critical housing needs lived in the suburbs, and one out of four lived in central cities. For renters, more than half lived in central cities, four out of 10 lived in suburban areas, and less than one out of 10 lived in non-metropolitan localities. A total of 42 percent of all working families with critical housing needs lived in the suburbs in 2003. This compares to about 39 percent of working families that lived in central cities -- dispelling a popular myth that families with these needs are primarily found in cities. Approximately 20 percent, or one in five, resided in non-metropolitan areas.

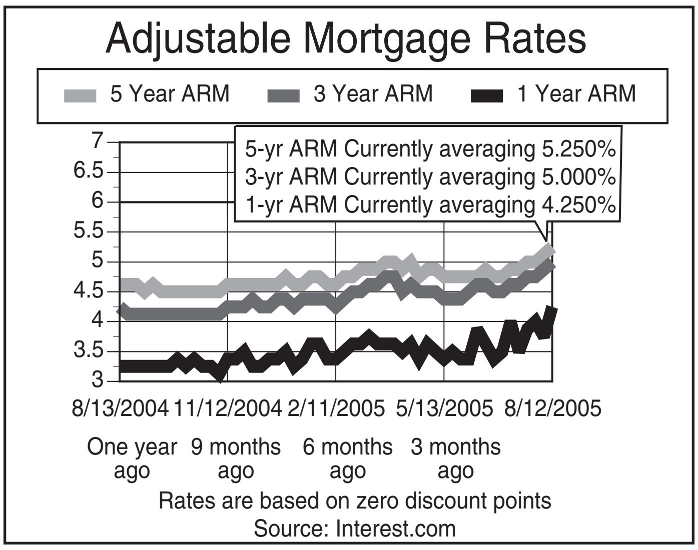
By region, the data reveal that the highest incidences of critical housing needs are found in the West and Northeast. However, despite slight declines between 2001 and 2003 in the South and Midwest, all four regions have seen substantial growth in critical needs since 1997.

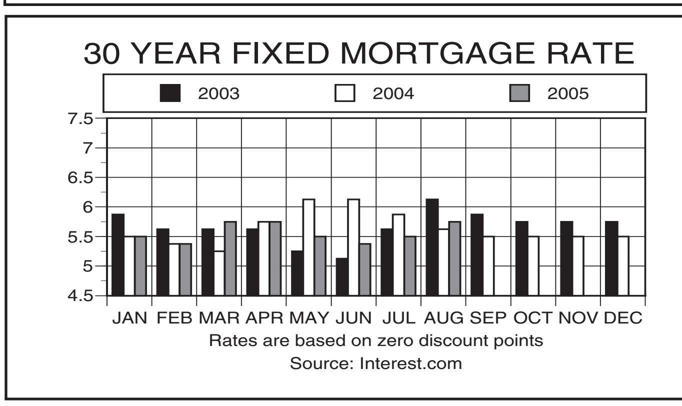
Crowding, although it has remained relatively stable for working families since 1997, is highest in the West where in 2003 working families were two to three and one-half times more likely as working families in other regions to live in housing with more than one person per room.

MORTGAGE MARKET MONITOR









The critical housing needs of working families are greater for immigrants than for native-born in all regions. The disparity is especially large in the Northeast, where immigrants have almost one and one-half times the rate of critical housing needs than native-born. In terms of crowding, rates decline little, if at all, with the length of time immigrant working families have lived in the United States. Mexicans are much more likely to be crowded than other immigrant groups, followed at some distance by other Latin Americans, at less than 12 percent. Crowding is highest in the West where one in five immigrant working families are affected.

For the full study, please go to http://www.nhc.org.

--PR Newswire