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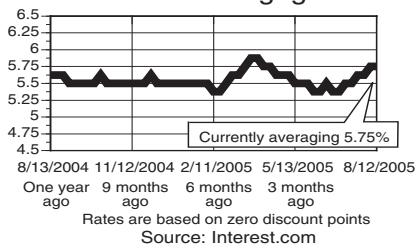
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 5-22-05

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

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	5/13/05	5/20/05
2 year T-note	3.62%	3.64%
5 year T-note	3.84%	3.85%
10 year T-note	4.14%	4.11%
30 year T-Bond	4.49%	4.44%

Discount Rate (wk. end 5/13)	4.00%
Fed Funds Rate (wk. end 5/13)	2.98%
Prime rate (wk. end 5/13)	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 (Mar.)	2.34%
11th District COFI (Mar.)	2.32%
6 month CD (wk. end 5/13)	3.44%
1 Year TCM (wk. end 5/13)	3.35%
2 Year TCM (wk. end 5/13)	3.68%
3 Year TCM (wk. end 5/13)	3.77%
5 Year TCM (wk. end 5/13)	3.91%
7 Year TCM (wk. end 5/13)	4.02%
10 Year TCM (wk. end 5/13)	4.21%
20 Year TCM (wk. end 5/13)	4.62%

Required Yields for Delivery

	Freddie Mac (5/20/05)			
	10 day	30 day	60 day	90 day
30 year	5.42%	5.47%	5.51%	5.56%
15 year	4.93%	4.97%	5.01%	5.06%

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	Apr.	2.04 mil.	+11.0%
Building Permits	Apr.	2.13 mil.	+5.3%
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 13, 2005

Number of purchase applications	Down	-10.8%
Number of refinance applications	Down	-10.0%



Mortgage Rates Trend Down

Week in review 5/16/05 - 5/20/05

Strong rallies in U.S. Treasury securities, based on waning fears of inflation, weak economic reports and safe-haven buying, kept the yield on the benchmark 10-year note, which lenders use as a guide to set rates, near its lowest level in three months. Although tame readings on inflation indexes were key in lowering Treasury yields, which move in the opposite direction of prices, bonds also benefited from risk-aversion buying due to concerns about losses on trades made by hedge funds. These factors resulted in low yields that allowed lenders to edge rates down on some mortgage products and keep them low on others.

Although the April Producer Price Index came in above expectations - rising 0.6 percent -- and the rate minus food and energy prices rose 0.3 percent, the report showed intermediate prices and the cost of crude goods slowing. This is a positive sign for controlling inflation down the line. The Consumer Price Index, which looks at inflation at the retail level, climbed 0.5 percent, but the core rate was unchanged from March and gave Treasuries a huge boost. With inflation concerns moving to the back burner, traders are convinced the Fed will continue its "measured pace" rate-hike program.

Housing starts rebounded in April, soaring 11 percent to an annual rate of 2.04 million units. This was a big relief after the 17.6-percent decline posted in March. And building permits rose 5.3 percent to an annual rate of 2.13 million. Industrial Production in April supported bonds, falling by an expected 0.2 percent. A sharp drop in first-time unemployment claims put minor pressure on Treasuries. Claims were down 20,000 to 321,000, but the more influential four-week average that smoothes volatility rose by 5,000-plus to 329,750. Manufacturing indexes from New York and Philadelphia both took a dive in May, coming in well below expectations.

Mortgage applications slid during the week ended May 13 in spite of low mortgage rates, according to the Mortgage Bankers Association. Applications to purchase were down 10.8 percent, and refinancings slid 10.0 percent. The rate on the 30-year-fixed mortgage (based on zero discount points) fell to 5.50 percent, while the 15-year fixed-rate edged down to 5.00 percent. The introductory rate on the one-year adjustable-rate mortgage remains at 3.50 percent.

Mortgage Rates Could Hold at Lowered Levels

Week in preview 5/23/05 - 5/27/05

A number of market-moving economic reports are slated for release this week, including New and Existing Home Sales, and Durable Goods Orders for April. A revised reading on first-quarter Gross Domestic Product also is due, along with a consumer sentiment survey from the University of Michigan. But the Personal Income/Outlays release -- a look at consumer spending in April -- could be of greater significance, as it contains one of the Fed's favored inflation indicators. If reports come in on target, it is possible that mortgage rates will hold near newly lowered levels.

This week begins on the slow side with regard to economic reports, but picks up steam mid-week and charges full-throttle into the three-day Memorial Day weekend.

The weekly auction of 3 and 6-

month T-bills is the only event on Monday, and Tuesday's news consists of two weekly retail sales surveys.

Wednesday the pace picks up with the release of Durable Goods Orders -- big-ticket items meant to last longer than three years. New and Existing Home Sales are also due.

Thursday has weekly first-time jobless claims for the week ended May 20 and the preliminary (first revision) report on first-quarter Gross Domestic Product, as well as the GDP chain deflator. This report will be closely watched as it is the key indicator of the nation's economic health.

Friday features the all-important Personal Income/Outlays report for April as well as the University of Michigan's final reading on consumer sentiment for May.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
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 5/20)	
	8:00 am	Redbook report on retail sales (Wk. end 5/20)	
May 25	8:30 am	Durable Goods Orders (adv. April)/ ex. trans.	+1.3%
	10:00 am	Existing Home Sales (April)	6.9 mil.
	10:00 am	New Home Sales (April)	1.32 mil.
May 26	8:30 am	Gross Domestic Product (prelim. 1st Qtr)	+3.7%
	8:30 am	GDP Chain Deflator (prelim. 1st Qtr)	+3.2%
	8:30 am	Weekly Unemployment Claims (Wk. end 5/20)	320,000
May 27	8:30 am	Personal Income and Outlays (April)	+0.6%/+0.6%
	9:45 am	Univ. of Mich. Sentiment Survey (May final)	85.7

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WEEKLY MORTGAGE RATE REPORT

Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

FOR THE WEEK OF 5-22-05 Page 2

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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			-11.11	2.03 (rev.)
	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	NA
	8:00 am	Redbook report on retail sales	Wk. end May 13		NA	NA
	8:30 am	Producer Price Index/core rate	April	Dept. of Labor	+0.6%/ +0.3%	+0.7%/ +0.1%
	8:30 am	Housing Starts	April	Commerce Dept.	+11.0% @ 2.04 mil.	-17.6% @ 1.84 mil.
	8:30 am	Building Permits	April	Commerce Dept.	+5.3% @ 2.13 mil.	-3.98% @ 2.02 mil.
	9:15 am	Industrial Production & Capacity Utilization	April	Federal Reserve	-0.2%/ 79.2%	+0.3%/ 79.4%
May 18	8:30 am	Consumer Price Index/core rate	April	Dept. of Labor	+0.5%/ unch.	+0.6%/ +0.4%
May 19	8:30 am	Weekly Unemployment Claims	Wk. end May 13	Dept. of Labor	321,000	341,000 (rev.)
	10:00 am	Index of Leading Indicators	April	Conference Board	-0.2%	-0.4%
	noon	Philadelphia Fed Report on May manufacturing conditions		Federal Reserve	7.3	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			NA
	8:00 am	Redbook report on retail sales	Wk. end May 20			NA
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		321,000
May 27	8:30 am	Personal Income and Outlays	April	Commerce Dept.		+0.5%/+0.6%
	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



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Page 3

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INDUSTRY NEWS

Mortgage Borrowing Season Picking Up Speed

PHILADELPHIA, May 19 /PRNewswire/ -- Across the country, mortgage bankers and brokers are gearing up for a very busy borrowing season as many rush to move into new homes before the start of another school year.

One national mortgage company has taken a very unique approach to invite potential mortgage borrowers to call their loan officers. American Home Mortgage Corp. is giving potential borrowers 5,000 reasons to call their local offices this season.

According to Bette McGaffin, an American Home Mortgage Corp. branch manager, the competition is very competitive with few ways for a borrower to differentiate between mortgage lenders. This year, American Home Mortgage Corp. may have discovered a way to get noticed. Bette challenged her advertising consultant, Andrew Adams from Greater Media in Bala Cynwyd, to design a promotion that will engage mortgage borrowers with American Home Mortgage Corp. loan officers.

"Andrew came up with a solution that we believe is dynamite!" said Bette. "Andrew proposed a consumer contest awarding one lucky winner a \$5,000 cash prize that can be used to pay closing costs, pay down an existing mortgage, or go towards someone's lease if they are still renting."

Borrowers who call American Home Mortgage at 866-513-0396 will be routed to an American Home Mortgage Corp. loan officer who will share a contest registration website (<http://www.5000reasons.com>) where they can register to win \$5,000 to cover closing costs, mortgage payments or rental payments. While on the phone with the prospective borrower, the loan officers will share a contest password which will be used to activate the contestant's online entry.

According to Bette, it's just one way we can give back as a company while making the monotony of shopping for a mortgage more interesting, and with today's rates on a loan in the neighborhood of \$220,000, with a \$5,000 extra principal payment in the first 60 days, you would pay off your loan almost two years earlier.

Long-Term Mortgage Rates Lowest Since February April Housing Sales Expected To Be Brisk

McLEAN, VA/ May 19 -- Freddie Mac released the results of its Primary Mortgage Market SurveySM in which the 30-year fixed-rate mortgage (FRM) averaged 5.71 percent, with an average 0.7 point, for the week ending May 19, 2005, down from last week when it averaged 5.77 percent. Last year at this time, the 30-year FRM averaged 6.30 percent.

The average for the 15-year FRM this week is 5.27 percent, with an average 0.7 point, also down from last week when it averaged 5.33 percent. A year ago, the 15-year FRM averaged 5.67 percent.

Five-Year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.07 percent this week, with an average 0.7 point, falling from 5.21 percent 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.

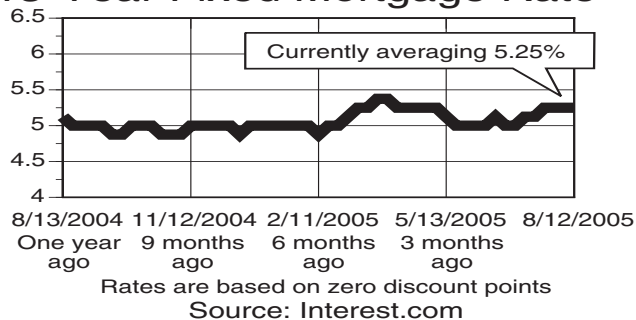
One-year Treasury-indexed adjustable-rate mortgages (ARMs) averaged 4.26 percent this week, with an average 0.7 point, up from last week when it averaged 4.23 percent. At this time last year, the one-year ARM averaged 3.99 percent. (Average commitment rates should be reported along with average fees and points to reflect the total cost of obtaining the mortgage.)

"It is remarkable how mortgage rates have remained so low for so long," said Frank Nothaft, vice president and chief economist. "But as long as inflation is held in check, there is little or no pressure to push mortgage rates higher. And at the moment, despite high fuel prices, core inflation does indeed seem to be a nonevent."

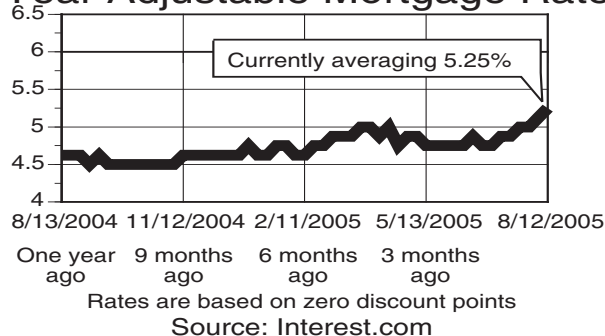
"Continuing low rates will keep the housing industry abuzz. As a matter of fact, both new and existing housing sales figures in April are expected to come in at or near record levels."

MORTGAGE MARKET MONITOR

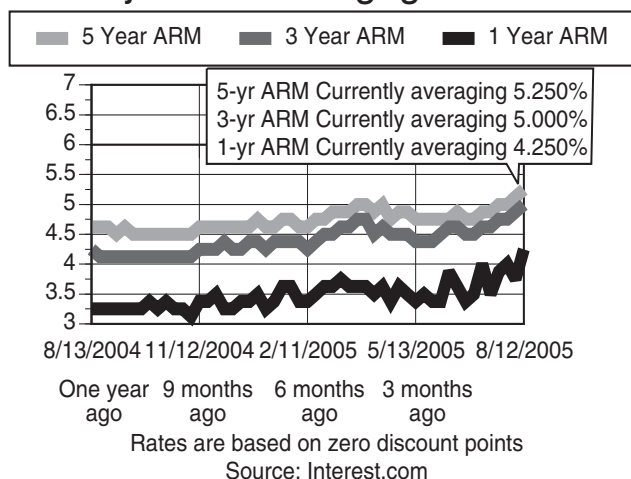
15-Year Fixed Mortgage Rate



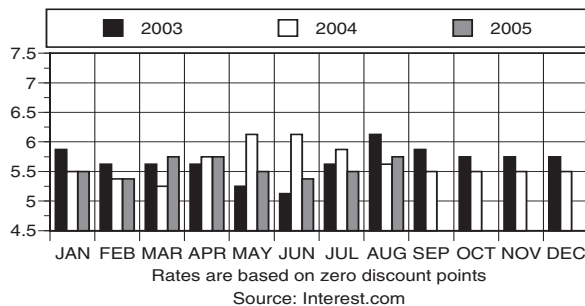
5-Year Adjustable Mortgage Rate



Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE



30-year fixed-rate mortgage

