

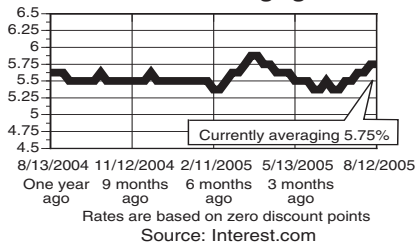


# WEEKLY MORTGAGE RATE REPORT (Fax Weekly Report)

FOR THE WEEK OF 7-3-05

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

## 30-Year Fixed Mortgage Rate



## KEY INTEREST RATES

U.S. Treasury Yields	6/24/05	7/1/05
2 year T-note	3.59%	3.72%
5 year T-note	3.70%	3.81%
10 year T-note	3.93%	4.03%
30 year T-Bond	4.23%	4.28%
Discount Rate (wk. end 6/24)	4.00%	
Fed Funds Rate (wk. end 6/24)	2.98%	
Prime rate (wk. end 6/24)	6.00%	

### ARM INDEXES

Natl. Avg. Contract Mtg. Rate (May)	5.80%
12 mo. mvg. avg. (1-yr. TCM) (May)	2.64%
3 mo. LIBOR (FNMA for May)	3.33%
6 mo. LIBOR (FNMA for May)	3.53%
National COFI (Apr.)	2.39%
11th District COFI (May)	2.62%
6 month CD (wk. end 6/24)	3.60%
1 Year TCM (wk. end 6/24)	3.40%
2 Year TCM (wk. end 6/24)	3.65%
3 Year TCM (wk. end 6/24)	3.69%
5 Year TCM (wk. end 6/24)	3.77%
7 Year TCM (wk. end 6/24)	3.86%
10 Year TCM (wk. end 6/24)	4.00%
20 Year TCM (wk. end 6/24)	4.35%

### Required Yields for Delivery

Freddie Mac (7/1/05)				
	10 day	30 day	60 day	90 day
30 year	5.29%	5.35%	5.41%	5.48%
15 year	4.85%	4.88%	4.91%	4.95%

Fannie Mae no longer offers information on required net yields.

## HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	May	\$1.103 tril.	-0.9%
Housing Starts	May	2.01 mil.	+0.2%
Building Permits	May	2.05 mil.	-4.7%
Existing Home Sales	May	7.15 mil.	-0.7%
New Home Sales	May	1.30 mil.	+2.1%

### MORTGAGE APPLICATION INDEXES (MBA)

Wk. ended June 24, 2005		
Number of purchase applications	Down	-0.4%
Number of refinance applications	Down	-1.8%



## Mortgage Rates Hold Their Ground Week in review 6/24/05 - 7/1/05

The Federal Open Markets Committee hiked short-term interest rates by 25 basis points—the ninth such move in the past year. U.S. Treasury yields ticked down slightly in the wake of the expected decision. What did move bonds during the week were big increases in consumer confidence, volatile oil prices, and mixed economic reports, making for an erratic week. Aggressive selling one day, which sent Treasury prices down and yields up, was followed the next day by a mini-rally that pushed yields back down. But bullish reports on Friday sent yields climbing. Yields move in the opposite direction of prices. Mortgage rates, which are based on yields, held close to last week's levels.

The Fed rate hike, which increased the target fed funds rate to 3.25 percent, was accompanied by a statement that was little-changed from previous ones. In it, the Fed said that it would remove accommodation at a "measured" pace. The Fed added that inflation pressures stayed elevated, but reiterated that long-term inflation remains well-contained.

A huge increase in consumer confidence—the biggest in three years—put pressure on Treasuries, as it evoked visions of stronger consumption that would propel the economy. Confidence rose to 105.8. The final revision of first-quarter Gross Domestic Product (GDP)

came in at 3.8 percent growth rate—matching the fourth quarter of 2004. Big gains in homebuilding and exports lifted economic output, which put pressure on bonds. An inflation indicator within the GDP, however, was benign.

The Chicago Purchasing Managers' Index on June Business Conditions fell short of expectations, coming in at 53.6. But the ISM index on manufacturing conditions in June rose more than two points to 53.8. First-time unemployment claims dipped by 6,000, bringing the total for the week ended June 24 to a two-month low of 310,000. The more closely watched four-week average rose to 323,500. Personal Income/Spending for May barely moved, with income up 0.2 percent and spending flat. New Construction fell 0.9 percent in May, while the University of Michigan's consumer sentiment report for June soared to 96 from 86.8 in May.

Although mortgage rates remained low during the week ended June 24, loan applications tailed off. According to the Mortgage Bankers Association, applications to purchase fell 0.4 percent, while refis edged down 1.8 percent. The rate on the 30-year-fixed mortgage (based on zero discount points) remains just over 5.375 percent, while the 15-year fixed-rate is holding near 5.0 percent. The introductory rate on the one-year ARM rose to 3.5 percent.

## Mortgage Rates Could Edge Up Week in preview 7/4/05 - 7/8/05

The holiday-shortened trading week features several economic reports, but the focus will be on Friday when the employment report for June will be released.

As always, this report will impact the markets one way or another depending on the number of jobs added to non-farm payrolls. If economic reports come in on target and show no signs of inflation or excessive economic growth, mortgage rates should remain near present levels. If, however, reports show strength, rates could edge up.

The week gets going on Tuesday with Factory Orders for May. Data include durable and non-durable goods as well as factory inventories. The weekly auction of 3- and 6-month T-bills will also be held.

Wednesday features the ISM index of June non-manufacturing conditions, more commonly called the service sector. This report does not move the markets like the ISM report on manufacturing conditions can. Weekly unemployment claims for the week ended July 1 will be released on Thursday and they could be somewhat influential.

The June Employment report is due on Friday, and it is of course the most important indicator each month as far as its impact on the financial markets. Also set for release on Friday are Wholesale Trade/Inventories and Sales for May and May Consumer Credit. Neither of these reports move the markets.

### EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
July 4		The federal government and financial markets will be closed to observe Independence Day	
July 5	10:00 am	Factory Orders (May)	+3.0%
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills	
July 6	8:00 am	ICSC/UBS report on chain store sales (Wk. end 7/1)	
	8:00 am	Redbook report on retail sales (Wk. end 7/1)	
	10:00 am	ISM releases index of June Non-Mfg. Conditions	58.4
July 7	8:30 am	Weekly Unemployment Claims (Wk. end 7/1)	325,000
July 8	8:30 am	The Employment Report (June)	+178,000 @ 5.1%
	8:30 am	Hourly wage earnings (June)	+0.3%
	10:00 am	Wholesale trade/Inventories and Sales (May)	+0.6%
	3:00 pm	Consumer Credit (May)	\$4.2 bil.

Interest.com--all times Eastern Daylight Time



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Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

FOR THE WEEK OF 7-3-05 Page 2

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## TRACKING THE ECONOMY -- JULY 2005

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS
June 20	10:00 am	Index of Leading Indicators	May	Conference Board	-0.5%	-0.2%
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
June 21	8:00 am	ICSC-UBS report on chain store sales	Wk. end June 17		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end June 17		NA	NA
June 22		<b>No economic indicators are scheduled for release</b>				
June 23	8:30 am	Weekly Unemployment Claims	Wk. end June 17	Dept. of Labor	314,000	334,000 (rev.)
	10:00 am	Existing Home Sales	May	Natl. Assn. of Realtors®	-0.7% @ 7.13 mil.	+4.5% @ 7.18 mil.
June 24	8:30 am	Durable Goods Orders (adv.)/ex. trans.	May	Commerce Dept.	+5.5%/ -0.2%	+1.4%/
	10:00 am	New Home Sales	May	Commerce Dept.	+2.1% @ 1.3 mil.	+0.2%/ 1.27 mil. (rev.)
June 27	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
June 28	8:00 am	ICSC-UBS report on chain store sales	Wk. end June 24		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end June 24		NA	NA
	10:00 am	Consumer Confidence Report	June	Conference Board	105.8	103.1 (rev.)
June 29	8:30 am	Gross Domestic Product (final)	1st Qtr.	Commerce Dept.	+3.8%	+3.8%
	8:30 am	GDP Chain Deflator (final)	1st Qtr.	Commerce Dept.	+2.9%	+3.2%
	8:30 am	Corporate Profits	1st Qtr.	Commerce Dept.	+1.2%	+12.2%
	9:00 am	FOMC convenes two-day meeting				
June 30	8:30 am	Weekly Unemployment Claims	Wk. end June 24	Dept. of Labor	310,000	316,000 (rev.)
	10:00 am	Chicago Purchasing Managers Institute releases index of June Mfg. Conditions			53.6	54.1
	2:15 pm	FOMC announces its decision on interest rates			+25 basis points	+25 basis points
July 1	9:45 am	Univ. of Mich. Sentiment Survey (final)	June	Univ. of Michigan	96.0	86.9
	10:00 am	New Construction	May		-0.9%	+0.5%
	10:00 am	Institute of Supply Management releases index of June Mfg. Conditions			53.8	51.5
July 4		<b>The federal government and financial markets will be closed to observe Independence Day</b>				
July 5	10:00 am	Factory Orders	May	Commerce Dept.		+0.9%
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
July 6	8:00 am	ICSC-UBS report on chain store sales	Wk. end July 1			NA
	8:00 am	Redbook report on retail sales	Wk. end July 1			NA
	10:00 am	Institute of Supply Management releases index of June Non-Mfg. Conditions				58.5
July 7	8:30 am	Weekly Unemployment Claims	Wk. end July 1	Dept. of Labor		310,000
	8:30 am	Productivity & Costs (rev.)	1st Qtr.	Dept. of Labor		+2.9%/ +3.3%
July 8	8:30 am	The Employment Report	June	Dept. of Labor		+78,000 @ 5.1%
	8:30 am	Hourly wage earnings	June	Dept. of Labor		+0.2% @ \$16.03
	10:00 am	Wholesale trade/Inventories and Sales	May	Commerce Dept.		+0.8%
	3:00 pm	Consumer Credit	May	Federal Reserve		\$1.3 bil.
July 11	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
July 12	8:00 am	ICSC-UBS report on chain store sales	Wk. end July 8	Commerce Dept.		
	8:00 am	Redbook report on retail sales	Wk. end July 8			
July 13	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	May	Commerce Dept.		\$57.0 bil.
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	June	Commerce Dept.		-0.3%/ -0.4%
	2:00 pm	Treasury Statement (monthly budget)	June	Treasury Dept.		-\$35.3 bil.
July 14	8:30 am	Weekly Unemployment Claims	Wk. end July 8	Dept. of Labor		
	8:30 am	Advance Retail Sales/ ex-auto	June	Commerce Dept.		-0.5%/ -0.2%
	8:30 am	Consumer Price Index/core rate	June	Dept. of Labor		-0.1%/ +0.1%
July 15	8:30 am	Producer Price Index/core rate	June	Dept. of Labor		-0.6%/ +0.1%
	8:30 am	Business Inventories/ Sales	May	Commerce Dept.		+0.3% (inv.)
	9:15 am	Industrial Production & Capacity Utilization	June	Federal Reserve		+0.4 %/ 79.4
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	July	Univ. of Michigan		
July 18	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
July 19	8:00 am	ICSC-UBS report on chain store sales	Wk. end July 15			
	8:00 am	Redbook report on retail sales	Wk. end July 15			
	8:30 am	Housing Starts	June	Commerce Dept.		+0.2% @ 2.01 mil.
	8:30 am	Building Permits	June	Commerce Dept.		-4.7 @ 2.05 mil.
July 20	8:30 am	NY Empire State Index of July Manufacturing Conditions				11.6
July 21	8:30 am	Weekly Unemployment Claims	Wk. end July 15	Dept. of Labor		
	10:00 am	Index of Leading Indicators	June	Conference Board		-0.2%
	noon	Philadelphia Fed Report on July manufacturing conditions		Federal Reserve		-2.2
July 22		<b>No economic indicators are scheduled for release</b>				
July 25	8:30 am	Gross Domestic Product (adv.)	2nd Qtr.	Commerce Dept.		+3.1%
	8:30 am	GDP Chain Deflator (final)	2nd Qtr.	Commerce Dept.		+3.2%
	10:00 am	Existing Home Sales	June	Natl. Assn. of Realtors®		+4.5% @ 7.18 mil.
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
July 26	8:00 am	ICSC-UBS report on chain store sales	Wk. end July 22			NA
	8:00 am	Redbook report on retail sales	Wk. end July 22			NA
	10:00 am	Consumer Confidence Report	July	Conference Board		
July 27	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	June	Commerce Dept.		+1.9%/
	10:00 am	New Home Sales	June	Commerce Dept.		+0.2%/ 1.31 mil.
	2:00 pm	Federal Reserve releases Beige Book				
July 28	8:30 am	Weekly Unemployment Claims	Wk. end July 22	Dept. of Labor		
July 29	10:00 am	Employment Cost Index	2nd Qtr.			+0.7%
	9:45 am	Univ. of Mich. Sentiment Survey (final)	July	Univ. of Michigan		85.3
	10:00 am	Chicago Purchasing Managers Institute releases index of July Business Conditions				65.6

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

### Freddie Mac Eases Policy on Employer Housing Aid

MCLEAN, Va., June 10 /PRNewswire-FirstCall/ -- Potentially thousands of working families will be able to use financial assistance, including unsecured loans, from their employers in connection with conforming, conventional mortgages thanks to a major policy change from Freddie Mac. The new change is expected to make tens of millions of dollars in additional conventional mortgages available to working families across the country.

On June 10 Freddie Mac began extending the benefits of using employer financial assistance as a source of funds to all of its mortgage products.

Freddie Mac's new Employer-Assisted Homeownership Benefits policy will help more borrowers take advantage of the different types of financial benefits employers may offer, including grants, unsecured loans or secured secondary financing that can supplement a down payment, closing costs, financing costs, or pre-pays and escrows. The new policy was crafted so lenders and employers with housing benefit programs can help more working families achieve homeownership with Freddie Mac mortgage products regardless of borrower income or the location of the property.

"We're extending our flexible employer-assistance policies to all of our mortgage products both to underscore our mission to boost homeownership opportunities and in response to our customers' requests to bolster the market for employer-assisted mortgages," said James Cotton, vice president of single-family marketing at Freddie Mac. "We believe this change will encourage more lenders and employers to join forces and look for mutually beneficial opportunities to help working families become successful homeowners."

According to a recent Society of Human Resource Management survey the number of employers providing mortgage and down payment assistance has grown 34 percent since 2003. The Society's 2004 survey estimates that nearly one out of eight employers in 2004 provided their staffs with some form of mortgage or down payment assistance. Such benefits can help reduce turnover and enable more employees to live near their jobs.

Under Freddie Mac's new policy, secured and unsecured loans from employers can be used as a source of funds for a part of the down payments and for closing costs, escrows/prepays, and financing costs. Borrowers who use unsecured loans and secured secondary financing from their employer are able to maximize their buying power. That's because the debt payments on the employer loan can be excluded from the borrower's monthly housing expense-to-income or debt payment-to-income ratios if the loan repayments are delayed for five years or the loan is only repaid upon sale or in case of a default.

A key feature of Freddie Mac's new policy allows employers the flexibility to require repayment of the loan in full if the borrower terminates employment. However, the employer must allow the borrower to continue repaying the loan in the event of long-term disability or his or her job's elimination through a reorganization or reduction in force.

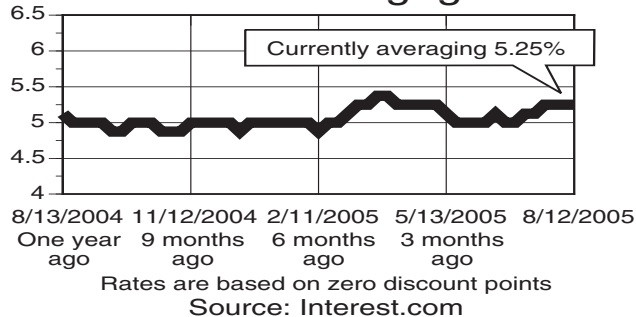
Employer-assisted homeownership benefits have been available for many years with Freddie Mac's affordable products and are a part of Freddie Mac's groundbreaking Home Possible® suite of affordable mortgage products. Designed to expand homeownership opportunities for borrowers with credit and down payment issues, Home Possible offers low and moderate income borrowers and borrowers purchasing homes in underserved areas, special flexibilities to eliminate many barriers faced by these borrowers.

For more information visit <http://www.freddie.com>.

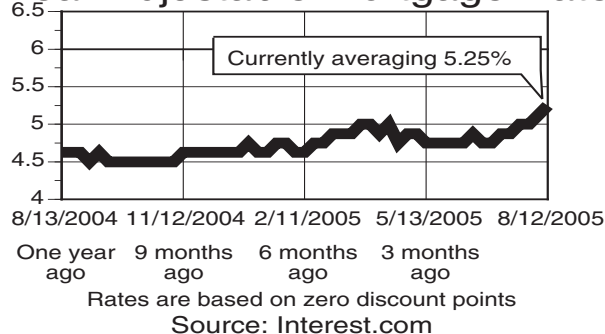
To list your mortgage rates on **Interest.com** call **888-278-7348**

## MORTGAGE MARKET MONITOR

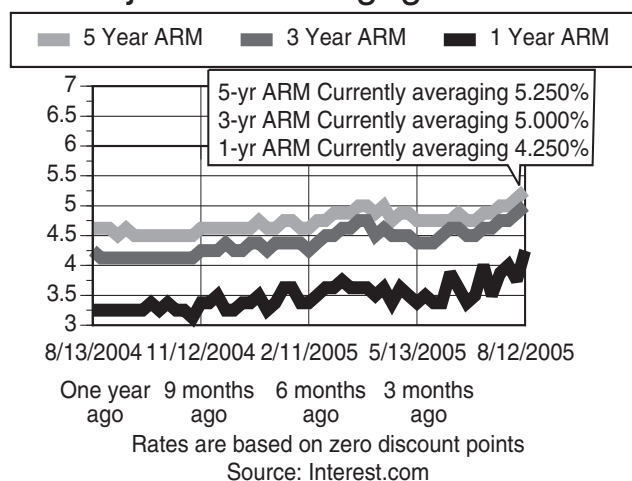
### 15-Year Fixed Mortgage Rate



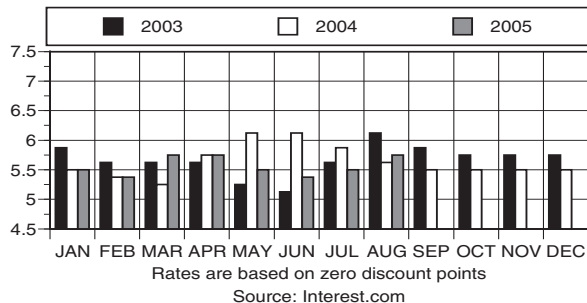
### 5-Year Adjustable Mortgage Rate



### Adjustable Mortgage Rates



### 30 YEAR FIXED MORTGAGE RATE



### 30-year fixed-rate mortgage

