



WEEKLY MORTGAGE RATE REPORT (Fax Weekly Report)

FOR THE WEEK OF 9-11-05
Annual subscription \$250 (1-800-844-4648)



Mortgage Rates Begin to Creep Up Week in review 9-6/05 - 9/9/05

Just as mortgage rates edged down on bond-friendly news the week ended Sept. 2, they reversed course during the holiday-shortened week. A strong report from the service sector, inflationary news on wages, and only a small dip in first-time jobless claims weighed on U.S. Treasury securities, which lenders use as a guide to set mortgage rates.

In addition, Chicago Federal Reserve Bank President Michael Moskow said Wednesday that the Fed is not likely to pause its rate-hike program in spite of Hurricane Katrina, which ran contrary to a report in Thursday's Wall Street Journal saying, "Fed officials have not ruled out a pause." The question will be resolved at the Fed's Sept. 20 meeting. In addition, rising energy prices, which bolstered Treasuries due to their negative economic impact, have eased. This, along with the other factors caused Treasury yields, which move in the opposite direction of prices, to climb, and mortgage rates have begun to climb with them.

The ISM index on the service sector in August jumped to 65, with a sharp rise in employment largely responsible for the increase. Any number above 50 indicates expansion. In a separate report, revised second-quarter productivity rose by a slower-than-

expected 1.8 percent – down substantially from the previous 2.2-percent increase. Labor costs, however, shot up 2.5 percent, and are a key inflationary measure that affects corporate profits. On the other hand, first-quarter labor costs were downwardly revised to a gain of 2.2 percent from 3.6 percent.

First-time unemployment claims for the week ended Sept. 2 fell by 1,000 to 319,000, although it was noted that these numbers were little impacted by the hurricane. The statistics for that week, however, did include 10,000 claims from Mississippi, Alabama and Louisiana. The more closely watched four-week average rose for the fourth straight time – up 2,000 to 318,500. Low employment means less inflation, which is a main concern of bond traders, as it erodes the value of fixed-rate assets.

Lower mortgage rates during the week ended Sept 2 resulted in a surge in applications, according to the Mortgage Bankers Association. Applications to purchase rose 6.1 percent, while refis climbed 7.7 percent. The rate on the 30-year-fixed mortgage (based on zero discount points) is above 5.5 percent, while the 15-year fixed-rate is below 5.125 percent. The introductory rate on the volatile one-year ARM fell to 3.75 percent.

Mortgage Rates Could Hold Steady Week in preview 9/12/05 - 9/16/05

The economic calendar for this week is packed with news, including the release of August Retail Sales and inflation data. Also due are August Industrial Production and the University of Michigan's preliminary consumer sentiment survey for September. Most of these data will not reflect conditions in the wake of Hurricane Katrina. Treasuries will be focusing on the Consumer and Producer price indexes with an eye out for signs of inflation. If inflation remains in check, mortgage rates should hold fairly steady.

Releases begin coming in on Tuesday, with the U.S. Trade deficit for July and the Producer Price Index (PPI) for August the most anticipated. The PPI will draw the attention of bond traders, as it looks for inflation at the

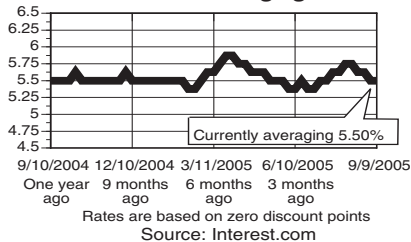
wholesale level. There will also be a release on manufacturing conditions in New York.

Advance Retail Sales and Industrial Production are due Wednesday. Retail sales are key as they drive the economy. Consumer spending accounts for two-thirds of GDP. Industrial Production gives a good read on the manufacturing sector.

Thursday features the Consumer Price Index, which looks for inflation at the retail level, Business Inventories/Sales for July, the Philly Fed survey on manufacturing and weekly first-time unemployment claims.

The only report set for Friday is the preliminary consumer sentiment survey from the University of Michigan. This will be the first indication of the effect of Katrina on the consumer.

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

| U.S. Treasury Yields | 9/2/05 | 9/2/05 |
|------------------------------|--------|--------|
| 2 year T-note | 3.71% | 3.85% |
| 5 year T-note | 3.81% | 3.91% |
| 10 year T-note | 4.02% | 4.11% |
| 30 year T-Bond | 4.30% | 4.38% |
| Discount Rate (wk. end 9/2) | | 4.50% |
| Fed Funds Rate (wk. end 9/2) | | 3.55% |
| Prime rate (wk. end 9/2) | | 6.50% |

ARM INDEXES

| | |
|--------------------------------------|-------|
| Natl. Avg. Contract Mtg. Rate (Jul.) | 5.68% |
| 12 mo. avg. (1-yr. TCM) (Aug.) | 3.02% |
| 3 mo. LIBOR (FNMA for Aug.) | 3.69% |
| 6 mo. LIBOR (FNMA for Aug.) | 3.92% |
| National COFI (Jun.) | 2.48% |
| 11th District COFI (Jul.) | 2.76% |
| 6 month CD (wk. end 9/2) | 3.96% |
| 1 Year TCM (wk. end 9/2) | 3.77% |
| 2 Year TCM (wk. end 9/2) | 3.87% |
| 3 Year TCM (wk. end 9/2) | 3.90% |
| 5 Year TCM (wk. end 9/2) | 3.94% |
| 7 Year TCM (wk. end 9/2) | 3.99% |
| 10 Year TCM (wk. end 9/2) | 4.09% |
| 20 Year TCM (wk. end 9/2) | 4.36% |

Required Yields for Delivery

| Freddie Mac (9/9/05) | | | | |
|----------------------|--------|--------|--------|--------|
| | 10 day | 30 day | 60 day | 90 day |
| 30 year | 5.54% | 5.56% | 5.59% | 5.62% |
| 15 year | 5.03% | 5.06% | 5.08% | 5.11% |

| Fannie Mae (9/2/05) | | | | |
|---------------------|--------|--------|--------|--------|
| | 10 day | 30 day | 60 day | 90 day |
| 30 year | 5.59% | 5.62% | 5.65% | 5.70% |
| 15 year | 5.14% | 5.16% | 5.19% | 5.22% |

HOUSING SNAPSHOT

| | Month | Total | Change |
|-----------------------|-------|---------------|--------|
| Construction Spending | July | \$1.099 tril. | unch. |
| Housing Starts | July | 2.04 mil. | -0.2% |
| Building Permits | July | 2.17 mil. | +1.6% |
| Existing Home Sales | July | 7.16 mil. | -2.6% |
| New Home Sales | July | 1.41 mil. | +6.5% |

MORTGAGE APPLICATION INDEXES (MBA)

| | Wk. ended Sept. 2, 2005 | Change |
|----------------------------------|-------------------------|--------|
| Number of purchase applications | Up | +6.1% |
| Number of refinance applications | Up | +7.7% |

| EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK | | | |
|---|---------|---|--------------|
| Date | Time | Event | Forecast |
| Sept. 12 | 1:00 pm | Treasury conducts weekly auction of 3 & 6 month T-bills | |
| Sept. 13 | 8:00 am | ICSC/UBS report on chain store sales (Wk. end 9/9) | |
| | 8:00 am | Redbook report on retail sales (Wk. end 9/9) | |
| | 8:30 am | U.S. Internatl. Trade in Goods & Services (July deficit) | -\$59.4 bil. |
| | 8:30 am | Producer Price Index/core rate (Aug.) | +0.7%/ +0.1% |
| | 2:00 pm | Treasury Statement (Aug. monthly budget) | -\$49.0 bil. |
| Sept. 14 | 8:30 am | Advance Retail Sales/ ex-auto (Aug.) | -1.3%/ +0.7% |
| | 9:15 am | Industrial Production & Capacity Utilization (Aug.) | +0.4%/ 79.9 |
| Sept. 15 | 8:30 am | NY Empire State Index of Sept. Manufacturing Conditions | |
| | 8:30 am | Weekly Unemployment Claims (Wk. end 9/9) | 350,000 |
| | 8:30 am | Business Inventories/ Sales (July) | +0.3% (inv.) |
| | 8:30 am | Consumer Price Index/core rate (Aug.) | +0.5%/ +0.2% |
| | noon | Philadelphia Fed Report on Sept. manufacturing conditions | 12.3 |
| Sept. 16 | 9:45 am | Univ. of Mich. Sentiment Survey (Sept. prelim.) | 85.0 |

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Formerly the Fax Weekly Report

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FOR THE WEEK OF 9-11-05 Page 2

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TRACKING THE ECONOMY -- SEPTEMBER 2005

| DATE | TIME | EVENT | PERIOD | SOURCE | OUTCOME | PREVIOUS |
|----------|--|---|-------------------------------------|--------------------------|-------------------|-------------------------|
| Aug. 22 | 1:00 pm | Treasury conducts weekly auction of 3 & 6 month | T-bill | | | |
| Aug. 23 | 8:00 am | ICSC-UBS report on chain store sales | Wk. end Aug. 19 | | -0.2% | -0.3% |
| | 8:00 am | Redbook report on retail sales | Wk. end Aug. 19 | | NA | NA |
| | 10:00 am | Existing Home Sales | July | Natl. Assn. of Realtors® | -2.6% @ 7.16 mil. | +2.75% @ 7.33 mil. |
| Aug. 24 | 8:30 am | Durable Goods Orders (adv.)/ ex. trans. | July | Commerce Dept. | -4.9%/ -3.2% | +1.9%/ |
| | 10:00 am | New Home Sales | July | Commerce Dept. | +6.5%/ 1.41 mil. | +0.2%/ 1.32 mil. (rev.) |
| Aug. 25 | 8:30 am | Weekly Unemployment Claims | Wk. end Aug. 19 | Dept. of Labor | 315,000 | 319,000 (rev.) |
| Aug. 26 | 9:45 am | Univ. of Mich. Sentiment Survey (final) | August | Univ. of Michigan | 89.1 | 92.8 |
| Aug. 29 | 1:00 pm | Treasury conducts weekly auction of 3 & 6 month | T-bill | | | |
| Aug. 30 | 8:00 am | ICSC/UBS report on chain store sales | Wk. end Aug. 26 | | NA | NA |
| | 8:00 am | Redbook report on retail sales | Wk. end Aug. 26 | | NA | NA |
| | 10:00 am | Factory Orders | June | Commerce Dept. | -1.9% | +1.4% |
| | 10:00 am | Consumer Confidence Report | August | Conference Board | 105.6 | 105.8 |
| | 2:00 pm | Minutes from the Aug. 9 meeting of the FOMC will be released | | | | |
| Aug. 31 | 8:30 am | Gross Domestic Product (prelim.) | 2nd Qtr. | Commerce Dept. | +3.3% | +3.4% |
| | 8:30 am | GDP Chain Deflator (prelim.) | 2nd Qtr. | Commerce Dept. | +2.4% | +2.4% |
| | 8:30 am | Corporate Profits | 2nd Qtr. | Commerce Dept. | +26.95% | +24.5% (rev. 1st Qtr.) |
| | 10:00 am | Chicago Purchasing Managers Institute releases | index of August Business Conditions | | 49.2 | 63.5 |
| Sept. 1 | 8:30 am | Weekly Unemployment Claims | Wk. end Aug. 26 | Dept. of Labor | 320,000 | 317,000 (rev.) |
| | 8:30 am | Personal Incomes and Outlays | July | | +0.3%/ +1.0% | +0.5%/ +1.0% (rev.) |
| | 10:00 am | New Construction | July | Commerce Dept. | unch. | -0.6% (rev.) |
| | 10:00 am | ISM releases index of August Mfg. Conditions | | | 53.6 | 56.6 |
| Sept. 2 | 8:30 am | The Employment Report | Aug. | Dept. of Labor | 169,000 @ 4.9% | 242,000 @ 5% (rev.) |
| | 8:30 am | Hourly wage earnings | Aug. | Dept. of Labor | +0.1% @ \$16.14 | +0.3% @ \$16.14 |
| Sept. 5 | The federal government and the financial markets will be closed in observance of Labor Day. | | | | | |
| Sept. 6 | 10:00 am | Institute of Supply Management releases index of August Non-Mfg. Conditions | | | 65 | 60.5 |
| | 1:00 pm | Treasury conducts weekly auction of 3 & 6 month | T-bills | | | |
| Sept. 7 | 8:00 am | ICSC/UBS report on chain store sales | Wk. end Sept. 2 | | NA | NA |
| | 8:00 am | Redbook report on retail sales | Wk. end Sept. 2 | | NA | NA |
| | 8:30 am | Productivity & Costs (rev.) | 2nd Qtr. | Commerce Dept. | +1.8%/+2.5% | +2.2%/ +1.3% |
| | noon | Federal Open Market Committee releases Beige Book | | | | |
| Sept. 8 | 8:30 am | Weekly Unemployment Claims | Wk. end Sept. 2 | Dept. of Labor | 319,000 | 320,000 |
| | 10:00 am | Wholesale trade/Inventories and Sales | July | Commerce Dept. | -0.1% (inv.) | +0.7%/ +0.6% |
| | 3:00 pm | Consumer Credit | July | Federal Reserve | +\$4.4 bil. | +\$14.5 bil. |
| Sept. 9 | 8:30 am | U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes | Aug. | Commerce Dept. | +1.3%/ 0.0% | +0.8%/ +0.1% (rev) |
| Sept. 12 | 1:00 pm | Treasury conducts weekly auction of 3 & 6 month | T-bills | | | |
| Sept. 13 | 8:00 am | ICSC/UBS report on chain store sales | Wk. end Sept. 9 | | | NA |
| | 8:00 am | Redbook report on retail sales | Wk. end Sept. 9 | | | NA |
| | 8:30 am | U.S. Internatl. Trade in Goods & Services (deficit) | July | Commerce Dept. | | \$58.8 bil. |
| | 8:30 am | Producer Price Index/core rate | Aug. | Dept. of Labor | | +1.0%/ +0.4% |
| | 2:00 pm | Treasury Statement (monthly budget) | Aug. | Treasury Dept. | | -\$52.79 |
| Sept. 14 | 8:30 am | Advance Retail Sales/ ex-auto | Aug. | Commerce Dept. | | +1.8%/ +0.3% |
| | 9:15 am | Industrial Production & Capacity Utilization | Aug. | Federal Reserve | | +0.1%/ 79.7 |
| Sept. 15 | 8:30 am | Weekly Unemployment Claims | Wk. end Sept. 9 | Dept. of Labor | | 319,000 |
| | 8:30 am | NY Empire State Index of Sept. Manufacturing Conditions | | | | 23 |
| | 8:30 am | Business Inventories/ Sales | July | Commerce Dept. | | unch./ +0.7% |
| | 8:30 am | Consumer Price Index/core rate | Aug. | Dept. of Labor | | +0.5%/ +0.1% |
| | noon | Philadelphia Fed Report on Sept. manufacturing conditions | | | | |
| Sept. 16 | 9:45 am | Univ. of Mich. Sentiment Survey (prelim.) | Sept. | Univ. of Michigan | | 89.1 |
| Sept. 19 | 1:00 pm | Treasury conducts weekly auction of 3 & 6 month | T-bill | | | |
| Sept. 20 | 8:00 am | ICSC-UBS report on chain store sales | Wk. end Sept. 16 | | | |
| | 8:00 am | Redbook report on retail sales | Wk. end Sept. 16 | | | |
| | 8:30 am | Housing Starts | Aug. | Commerce Dept. | | -0.2% @ 2.042 mil. |
| | 8:30 am | Building Permits | Aug. | Commerce Dept. | | +1.6 % @ 2.17 mil. |
| | 2:15 pm | The Federal Open Markets Committee announces its decision on rate increases | | | | |
| Sept. 21 | No economic indicators are scheduled for release | | | | | |
| Sept. 22 | 8:30 am | Weekly Unemployment Claims | Wk. end Sept. 16 | Dept. of Labor | | |
| | 10:00 am | Index of Leading Indicators | Aug. | Conference Board | | +0.1% |
| | noon | Philadelphia Fed Report on Sept. manufacturing conditions | | | | |
| Sept. 23 | No economic indicators are scheduled for release | | | | | |
| Sept. 26 | 10:00 am | Existing Home Sales | Aug. | Natl. Assn. of Realtors® | | -2.6% @ 7.16 mi |
| | 1:00 pm | Treasury conducts weekly auction of 3 & 6 month | T-bill | | | |
| Sept. 27 | 8:00 am | ICSC-UBS report on chain store sales | Wk. end Sept. 23 | | | |
| | 8:00 am | Redbook report on retail sales | Wk. end Sept. 23 | | | |
| | 10:00 am | New Home Sales | Aug. | Commerce Dept. | | +6.5%/ 1.41 mil. |
| Sept. 28 | 8:30 am | Durable Goods Orders (adv.)/ ex. trans. | Aug. | Commerce Dept. | | -4.9%/ -3.2% |
| Sept. 29 | 8:30 am | Weekly Unemployment Claims | Wk. end Sept. 23 | Dept. of Labor | | |
| | 8:30 am | Gross Domestic Product (final) | 2nd Qtr. | Commerce Dept. | | 3.3% |
| | 8:30 am | GDP Chain Deflator (final) | 2nd Qtr. | Commerce Dept. | | 2.4% |
| | 8:30 am | Corporate Profits (rev.) | 2nd Qtr. | Commerce Dept. | | 26.95% |
| Sept. 30 | 8:30 am | Personal Incomes and Outlays | Aug. | | | +0.3%/ +1.0% |
| | 9:45 am | Univ. of Mich. Sentiment Survey (final) | Sept. | Univ. of Michigan | | |
| | 10:00 am | Chicago Purchasing Managers Institute releases | index of Sept Business Conditions | | | 49.2 |

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

BB&T Named Nation's Best Mortgage Lending Trainer

WINSTON-SALEM, N.C., Aug. 17 /PRNewswire-FirstCall/ -- BB&T Corporation has the best mortgage lending training program in the nation for companies with more than 1,000 employees, according to the Mortgage Bankers Association (MBA).

BB&T was presented with the first-place Corporate Training and Education award in July at a Mortgage Trainers Roundtable meeting at MBA headquarters in Washington, D.C.

"BB&T considers its employees and its knowledge as key to its competitive advantage," said Campus MBA Vice President of Education and Business Development Dan Thoms. "The training program developed for the mortgage group is comprehensive -- from training managers to interviewing and hiring the best candidates, to initial education and on-the-job training, to a six-month management development program."

More than 1,100 mortgage employees (including 500 lenders) received mortgage training last year through BB&T Mortgage Lending Training, which oversees mortgage training at BB&T.

"At BB&T education is not just a process, it's a key component of our corporate culture," said Cassie Zack, mortgage loan production training manager. "We hire the right people, train them thoroughly, support them in building solid relationships with their clients, and reward them for their achievements."

BB&T's mortgage servicing portfolio is \$40 billion. In 2004, its mortgage loan production was nearly \$10 billion.

The Mortgage Bankers Association (MBA) is a national association representing the real estate finance industry. For more information, visit <http://www.mortgagebankers.org>.

J.D. Power Ranks SunTrust Mortgage Highest in Overall Customer Satisfaction

ATLANTA, Aug. 4 /PRNewswire-FirstCall/ -- SunTrust Mortgage, Inc. was ranked "Highest in Customer Satisfaction among Mortgage Servicing Companies" according to a recent study conducted by J.D. Power and Associates. More than 40 national mortgage servicers were included in the study and results were based on responses from more than 9,000 home mortgage customers across the United States. Mortgage servicers are responsible for managing customer payments, handling escrows and payment of taxes and general account administration. In the J.D. Power and Associates study, servicers were evaluated in key areas including account review and administration, billing and payment process and customer service.

"We are delighted to receive the highest ranking in overall customer satisfaction from J.D. Power and Associates. It confirms that our long-standing focus on building customer relationships and our implementation of high performance standards and process improvements serves our customers well," says Sterling Edmunds, President and CEO of SunTrust Mortgage, Inc.

The 2005 study ranking is the highest acknowledgement that SunTrust Mortgage has received from J.D. Power and Associates within the last three years. SunTrust Mortgage was first included in J.D. Power and Associates mortgage studies in 2002, and customers have continued to rate the company above the industry average every year since then, culminating in this year's award for highest ranking customer satisfaction. "The J.D. Power customer satisfaction ranking reinforces what we want our customers to recognize --- our passion to be the best," says Edmunds.

Currently, SunTrust Mortgage services more than 650,000 loans for customers across the United States.

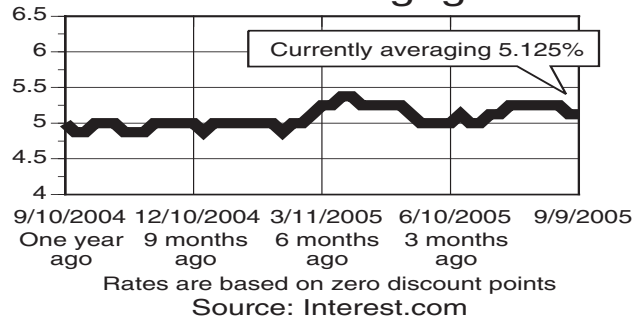
To list your mortgage rates on

Interest.com

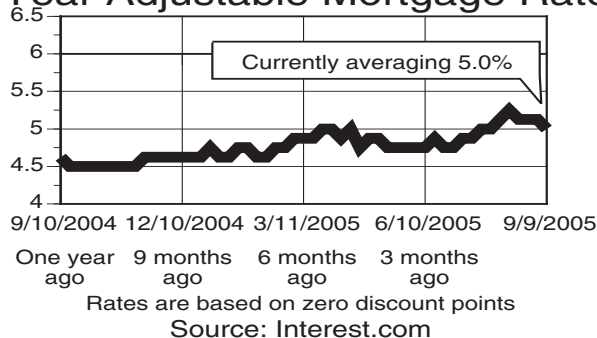
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MORTGAGE MARKET MONITOR

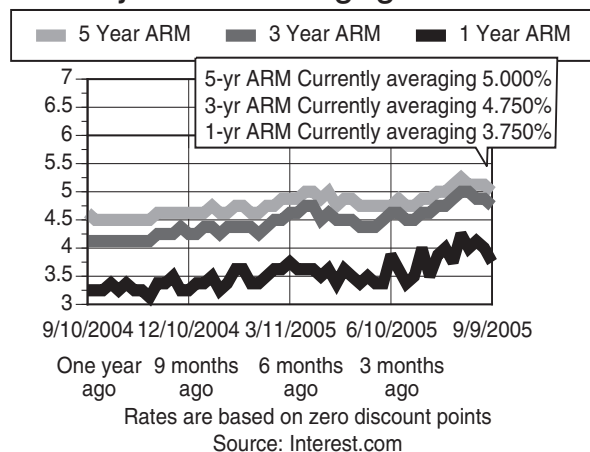
15-Year Fixed Mortgage Rate



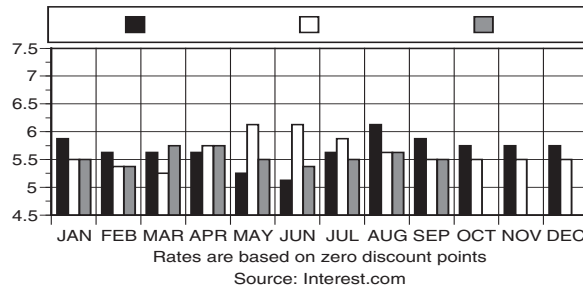
5-Year Adjustable Mortgage Rate



Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE



30-year fixed-rate mortgage

