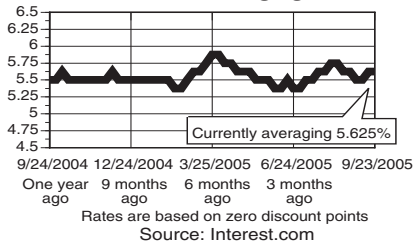




# WEEKLY MORTGAGE RATE REPORT (Fax Weekly Report)

FOR THE WEEK OF 9-25-05  
Annual subscription \$250 (1-800-844-4648)

30-Year Fixed Mortgage Rate



## KEY INTEREST RATES

U.S. Treasury Yields	9/16/05	9/23/05
2 year T-note	3.93%	3.99%
5 year T-note	4.04%	4.05%
10 year T-note	4.27%	4.24%
30 year T-Bond	4.57%	4.51%
Discount Rate (wk. end 9/16)		4.50%
Fed Funds Rate (wk. end 9/16)		3.55%
Prime rate (as of 9/20)		6.75%

### 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 (Jul.)	2.54%
11th District COFI (Jul.)	2.76%
6 month CD (wk. end 9/16)	3.97%
1 Year TCM (wk. end 9/16)	3.82%
2 Year TCM (wk. end 9/16)	3.91%
3 Year TCM (wk. end 9/16)	3.93%
5 Year TCM (wk. end 9/16)	3.98%
7 Year TCM (wk. end 9/16)	4.06%
10 Year TCM (wk. end 9/16)	4.19%
20 Year TCM (wk. end 9/16)	4.53%

### Required Yields for Delivery

Freddie Mac (9/23/05)		30 day		60 day		90 day	
30 year	5.59%	5.61%	5.65%	5.69%	5.69%	5.69%	5.69%
15 year	5.13%	5.14%	5.18%	5.21%	5.21%	5.21%	5.21%
Fannie Mae (9/23/05)		30 day		60 day		90 day	
30 year	5.68%	5.70%	5.73%	5.69%	5.69%	5.69%	5.69%
15 year	5.23%	5.25%	5.27%	5.30%	5.30%	5.30%	5.30%

## HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	July	\$1.099 tril.	unch.
Housing Starts	Aug.	2.02 mil.	-1.3%
Building Permits	Aug.	2.12 mil.	-2.3%
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. 16, 2005	Change
Number of purchase applications	Down	-2.6%
Number of refinance applications	Up	+7.0%



## Mortgage Rates on Hold Week in review 9/19/05 - 9/23/05

Another Fed rate hike and anxiety about Hurricane Rita drove prices of U.S. Treasury securities higher. Meanwhile, yields, which move in the opposite direction of prices, edged back down from their highest levels in a month. Although the Federal Open Market Committee raised rates and indicated it would continue with its rate-hike program, it also voiced deeper concerns regarding energy-induced inflation. Bond traders saw this as a continuing effort to rein in rising inflation. This benefits Treasuries, which are hurt by high prices that erode their value. The decline in Treasury yields, although significant, did not influence lenders to pull back on mortgage rates

Hurricane Rita is expected to dent (or worse) oil production in the Gulf of Mexico. This likely will lead to another spike in oil prices, higher prices at the pump, and a slowdown in consumer spending. Bond traders were seeing slowing economic growth replacing higher interest rates by the Fed, but inflation is now becoming a bigger source of worry, as it could deflate demand for Treasuries. On Friday these concerns sent yields back up.

News from the housing market indi-

cated possible slowing, as numbers fell for the second straight month. Housing Starts in August slid 1.3 percent to an annual rate of 2.01 million from 2.04 million in July. Permits took an even bigger hit, dropping 2.3 percent to an annual rate of 2.12 million – a more troubling statistic, as permits indicate future starts.

As expected, first-time jobless claims for the week ended Sept. 16 jumped by 8,000 to 432,000 due to applications by Hurricane Katrina victims. The more influential four-week average, which smoothes volatility, rose to 376,250 – 29,000 higher than last week. The final report of the week was the Index of Leading Indicators, which fell 0.2 percent in August.

According to the Mortgage Bankers Association, mortgage applications presented a mixed picture for the week ended Sept. 16. Applications to purchase fell 2.6 percent, while refis climbed 7 percent. The rate on the 30-year fixed mortgage (based on zero discount points) remains below 5.625 percent, while the 15-year fixed-rate is just over 5.125 percent. The introductory rate on the volatile one-year ARM is holding above 3.75 percent.

## Mortgage Rates Likely to Tick Up Week in preview 9/26/05 - 9/30/05

As usual, the last week of the month is loaded with market-moving economic reports. Among the most influential are Consumer Confidence for September, new and existing homes sales for August, and an August report on Durable Goods Orders. Also in the mix: final second-quarter GDP, and the Chicago PMI index of September business conditions. Reports indicating economic strength would put pressure on Treasuries, but Hurricane Rita could also spur selling. These possibilities could result in stable or slightly higher mortgage rates.

Monday starts off with Existing Home Sales for August. These represent roughly 85 percent of all single-family home sales and are therefore watched closely.

The Consumer Confidence Report for September is due Tuesday, and can impact the markets. August New Home Sales also are due.

August Durable Goods Orders, big-ticket items meant to last more than three years, will come out on Wednesday, then the avalanche of reports begins.

Thursday opens with the final revision on second-quarter Gross Domestic Product, as well as the final read on the Chain Deflator. Revised second-quarter corporate profits also will be released. First-time unemployment claims for the week ended Sept. 23 could continue to reflect the aftermath of Hurricane Katrina.

On Friday Personal Income/Spending for August will be released, and it will be closely watched as it contains a key inflation indicator. Also on tap is the final consumer sentiment report for September and the Chicago PMI index of business conditions. This report can pack a wallop as it often foretells results of the ISM index due the following Monday.

### EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Sept. 26	10:00 am	Existing Home Sales (Aug.)	7.13 mil.
	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 9/23)	
	8:00 am	Redbook report on retail sales (Wk. end 9/23)	
	10:00 am	New Home Sales (Aug.)	1.33 mil.
Sept. 28	10:00 am	Consumer Confidence Report (Sept.)	93.2
	8:30 am	Durable Goods Orders (adv.)/ ex. trans. (Aug.)	+0.9%
	8:30 am	Weekly Unemployment Claims (Wk. end 9/23)	410,000
Sept. 29	8:30 am	Gross Domestic Product (2nd Qtr. final)	+3.3%
	8:30 am	GDP Chain Deflator (2nd Qtr. final)	+2.4%
	8:30 am	Corporate Profits (rev. 2nd Qtr.)	
Sept. 30	8:30 am	Personal Incomes and Outlays (Aug.)	+0.3%/ -0.3%
	9:45 am	Univ. of Mich. Sentiment Survey (final Sept.)	77.5
	10:00 am	Chicago PMI releases index of Sept Business Conditions	52.2

Interest.com--all times Eastern Daylight Time



# WEEKLY MORTGAGE RATE REPORT

Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

FOR THE WEEK OF 9-25-05 Page 2

INTEREST.COM

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

## 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% @ \$16.16	+0.3% @ \$16.14
Sept. 5	<b>The federal government and the financial markets will be closed in observance of Labor Day.</b>					
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.	\$57.9 bil.	\$59.5 bil. (rev.)
	8:30 am	Producer Price Index/core rate	Aug.	Dept. of Labor	+0.6%/ 0/0%	+1.0%/ +0.4%
	2:00 pm	Treasury Statement (monthly budget)	Aug.	Treasury Dept.	-\$50.0 bil.	-\$52.79 bil.
Sept. 14	8:30 am	Advance Retail Sales/ ex-auto	Aug.	Commerce Dept.	-2.1%/ +1.0%	+1.8%/ +0.3%
	9:15 am	Industrial Production & Capacity Utilization	Aug.	Federal Reserve	+0.1%/ 79.8%	+0.1%/ 79.7%
Sept. 15	8:30 am	Weekly Unemployment Claims	Wk. end Sept. 9	Dept. of Labor	398,000	319,000
	8:30 am	NY Empire State Index of Sept. Manufacturing Conditions			17	23
	8:30 am	Business Inventories/ Sales	July	Commerce Dept.	-0.5%/ +1.1%	unch./ +0.7%
	8:30 am	Consumer Price Index/core rate	Aug.	Dept. of Labor	+0.5%/ +0.1%	+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	76.9	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		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end Sept. 16		NA	NA
	8:30 am	Housing Starts	Aug.	Commerce Dept.	-1.3% @ 2.01 mil.	-0.2% @ 2.042 mil.
	8:30 am	Building Permits	Aug.	Commerce Dept.	-2.3% @ 2.12 mil.	+1.6% @ 2.17 mil.
	2:15 pm	The Federal Open Market Committee announces its decision on rate increases				
Sept. 21	<b>No economic indicators are scheduled for release</b>					
Sept. 22	8:30 am	Weekly Unemployment Claims	Wk. end Sept. 16	Dept. of Labor	432,000	424,000 (rev.)
	10:00 am	Index of Leading Indicators	Aug.	Conference Board	-0.2%	+0.1%
Sept. 23	<b>No economic indicators are scheduled for release</b>					
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			NA
	8:00 am	Redbook report on retail sales	Wk. end Sept. 23			NA
	10:00 am	Consumer Confidence Report	Sept.	Conference Board		105.6
	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		432,000
	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		76.9
	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



# WEEKLY MORTGAGE RATE REPORT

Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

FOR THE WEEK OF 9-25-05

Page 3

INTEREST.COM

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

## INDUSTRY NEWS

### Approximately 33 Percent of Recent Home Buyers Have Creative or Option Mortgages

ROCHESTER, N.Y., Sept. 16 /PRNewswire/ -- A new Wall Street Journal Online/Harris Interactive Personal Finance Poll finds that nearly one in five (19%) U.S. adults who purchased a home within the last three years for their primary residence say they spent above their suggested price range, while two-thirds (67%) stayed within their price range and 12% were below their price range.

When obtaining a mortgage for their new home, recent homebuyers who used a mortgage broker, direct lender or another source were nearly three times more likely to obtain a fixed-rate mortgage (72%) than an adjustable-rate mortgage (26%), and fully a third (34%) opted for a creative or option mortgage.

Below are the results of the online survey of 2,300 U.S. adults conducted between Aug. 19 and 23, 2005, for The Wall Street Journal Online's Personal Finance Edition.

With the skyrocketing price of real estate in the western part of the U.S., it's not surprising to find that those who bought homes in the West within the last three years are more likely to have gone above their suggested price range when purchasing their home (29%) than those in the Northeast (8%), Midwest (12%) or South (22%). Furthermore, those in the Northeast (83%) and Midwest (80%) are more likely to have stayed within their price range when purchasing their home than those in the South (57%) or West (56%).

#### Mortgage brokers versus direct lenders

When looking to obtain a mortgage, homebuyers must decide through whom they want to work. According to the survey, mortgage brokers (39%) edge out direct lenders (32%) as the primary source of mortgage providers for recent homebuyers. Less than one in 10 (8%) used another source to obtain a mortgage, while 14% say they did not need a mortgage to purchase their home. Interestingly, younger homebuyers (age 18 to 34) are most likely to have chosen a broker (55%) while homebuyers age 35 to 42 are most likely to have obtained their mortgage through a direct lender (42%).

#### Creative or option mortgages

In addition to a traditional mortgage, homebuyers also have the option to choose a creative or option mortgage. "Nontraditional methods of funding a primary residence are becoming more commonplace and acceptable, especially in areas of the country that have seen housing prices skyrocket," said Anne Aldrich, senior vice president of the Financial Services Research Practice at Harris Interactive®. "It is important that consumers be aware of all of the options available to them, as well as the possible risks that they may take on with 'creative' mortgage options."

A little more than one-third (34%) of recent homebuyers who obtained their mortgage through a broker, direct lender or someone else chose one of the following four creative or option mortgages:

- An interest-only mortgage -- where borrowers pay interest but no principal in the early years of the loan (17%).
- A piggyback mortgage -- where the loan combines a standard first mortgage with a home-equity loan or line of credit to avoid private mortgage insurance or the higher interest rates on jumbo loans (10%).
- A payment option mortgage -- where borrowers have four payment options each month and those who elect to make the minimum payment could actually see their loan balance rise rather than fall (4%).
- A miss-a-payment mortgage -- where borrowers are allowed to skip up to two mortgage payments a year and up to 10 payments over the life of the loan without ruining their credit rating (2%).

Downloadable PDFs of the entire poll are available at The Wall Street Journal Online/Harris Interactive Personal Finance Polls are posted at: [http://www.harrisinteractive.com/news/newsletters\\_wsfinance.asp](http://www.harrisinteractive.com/news/newsletters_wsfinance.asp)

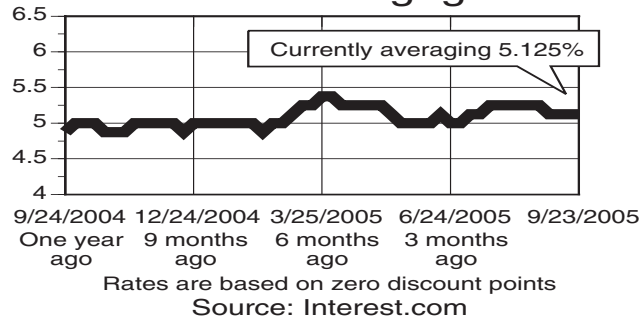
To list your mortgage rates on

**Interest.com**

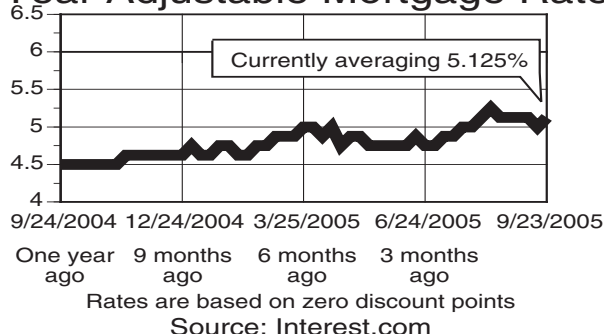
Call 877-721-1197

## MORTGAGE MARKET MONITOR

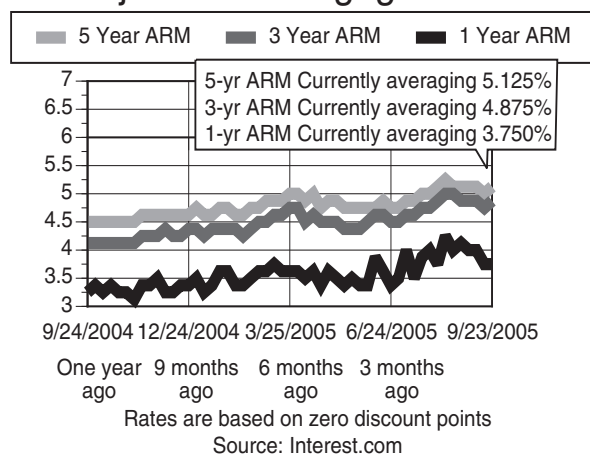
### 15-Year Fixed Mortgage Rate



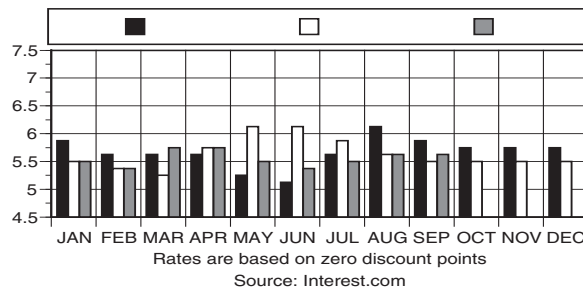
### 5-Year Adjustable Mortgage Rate



### Adjustable Mortgage Rates



### 30 YEAR FIXED MORTGAGE RATE



### 30-year fixed-rate mortgage

