INTEREST.COM

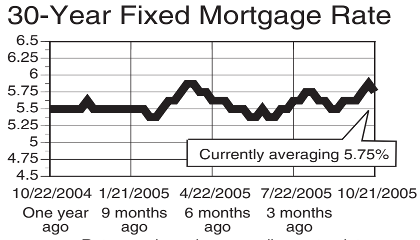
WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 10-23-05

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	10/14/05	10/21/05
2 year T-note	4.26%	4.23%
5 year T-note	4.34%	4.29%
10 year T-note	4.49%	4.42%
30 year T-Bond	4.71%	4.65%

Discount Rate	(wk. end 10/14)	4.75%
Fed Funds Rate	(wk. end 10/14)	3.68%
Prime rate	(wk. end 10/14)	6.75%

ARM INDEXES

Natl. Avg. Contract Mtg. Rate	(Aug.)	5.81%
12 mo. mvg. avg. (1-yr. TCM)	(Sep.)	3.17%
3 mo. LIBOR	(FNMA for Sep.)	4.06%
6 mo. LIBOR	(FNMA for Sep.)	4.22%
National COFI	(Aug.)	2.54%
11th District COFI	(Aug.)	2.87%
6 month CD	(wk. end 10/14)	4.29%
1 Year TCM	(wk. end 10/14)	4.14%
2 Year TCM	(wk. end 10/14)	4.24%
3 Year TCM	(wk. end 10/14)	4.27%
5 Year TCM	(wk. end 10/14)	4.31%
7 Year TCM	(wk. end 10/14)	4.37%
10 Year TCM	(wk. end 10/14)	4.45%
20 Year TCM	(wk. end 10/14)	4.72%

Required Yields for Delivery

Freddie Mac (10/21/05)

	10 day	30 day	60 day	90 day
30 year	5.86%	5.88%	5.91%	5.94%
15 year	5.35%	5.37%	5.40%	5.42%

Fannie Mae (10/21/05)

	10 day	30 day	60 day	90 day
30 year	5.96%	5.99%	6.02%	6.05%
15 year	5.49%	5.51%	5.54%	5.56%

HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Aug.	$1.108 tril.	+0.4%
Housing Starts	Sept.	2.11 mil.	+3.4%
Building Permits	Sept.	2.19 mil.	+2.3%
Existing Home Sales	Aug.	7.29 mil.	+2.0%
New Home Sales	Aug.	1.24 mil.	-9.9%

MORTGAGE APPLICATION INDEXES **(MBA)**

Wk. ended Oct. 14, 2005

Number of purchase applications	Up	+7.3%
Number of refinance applications	Up	+4.5%

Moneytalks®

A CONSUMER MORTGAGE MAGAZINE

Mortgage Rates Hold at 15-Month Highs
Week in review 10/17/05 - 10/21/05

Concerns about inflation, the sworn enemy of fixed-rate assets such as bonds, kept pressure on U.S. Treasury security yields, which move in the opposite direction of prices. Economic news – a mixed bag at best -- didn't affect Treasuries as adversely as expected, since rate hikes for the remainder of the year have been priced in. Fed officials continue to warn that rate hikes are necessary to contain inflation, but bond traders are taking comfort in their vigilance. Although yields have wavered, most mortgage rates are holding at high levels. The rate on the 30-year fixed-rate hit its highest level since July 2004.

The Producer Price Index for September, which looks for inflation at the wholesale level, jumped by a stunning 1.9 percent – the steepest one-month increase in 15 years. But the core rate, which excludes volatile food and energy prices, rose by an acceptable 0.3 percent, with high energy prices driving up the numbers. In a separate report, Housing Starts in September surged to an annual rate of 2.11 million units – the third highest level on record, while Building Permits rose by a healthy annual rate of 2.19 million. Falling oil prices, the root of current inflation concerns, were another positive for the financial markets.

First-time jobless claims for the week ended Oct. 15 fell for the second consecutive week, coming in at 355,000. The more influential four-week average, which smoothes volatility, slid to 376,000 from 404,500, and continued claims, people collecting benefits for more than one week, edged up to 2.89 million. As of now a total of 478,000 jobs have been lost due to hurricanes Katrina and Rita. The Index of Leading Economic Indicators, which looks at the economy three to six months down the road, slid by a stronger-than-expected 0.7 percent. Two indexes on Manufacturing were split, with the October Philly Fed climbing to 17.3 from 2.2. The index for New York State, however, slid to 12.1 from 15.6.

Mortgage applications rose for the week ended Oct. 14, in spite of higher mortgage rates, according to the Mortgage Bankers Association. Applications to purchase were up 7.3 percent, while refis climbed 4.5 percent. The rate on the 30-year-fixed mortgage (based on zero discount points) is below 5.875 percent, while the 15-year fixed-rate neared 5.5 percent. The introductory rate on the volatile one-year ARM climbed to 4.5 percent.

Mortgage Rates Could Stick Fairly Steady
Week in preview 10/24/05 - 10/28/05

The last full week of October features several market-moving reports that include new and existing home sales, two surveys on consumer confidence, orders for durable goods and the first look at third-quarter Gross Domestic Product. Any of these reports could spur buying or selling in Treasuries, depending on their strength. If data come in on target, however, it is likely that mortgage rates will hold fairly steady.

The week begins with the Treasury auction of 3- and 6-month T-bills, but the action doesn't really get going until Tuesday, with the release of the Consumer Confidence Report for October and Existing Home Sales for September. The report on consumer confidence has been influential of late as it reflects opinions about the effects of future inflation -- a hot item.

There are no economic reports due on Wednesday, but on Thursday Durable Goods Orders for September are due. This report indicates businesses' willingness to invest in big-ticket items meant to last more than three years and it is highly regarded by analysts. Also out are first-time unemployment claims for the week ended Oct. 21. New home sales for September will be released later in the morning.

Three big reports come out on Friday, with the most influential of these likely to be the first look at third-quarter Gross Domestic Product -- the total value of goods and services produced in the U.S. This is a key reading on the nation's economic health. Also on tap is the third-quarter Employment Cost Index, which will be scoured for signs of inflation, and the final October report on consumer sentiment.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Oct. 24	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill	
Oct. 25	8:00 am	ICSC-UBS report on chain store sales (Wk. end 10/21)	
	8:00 am	Redbook report on retail sales (Wk. end 10/21)	
	10:00 am	Existing Home Sales (Sept.)	7.2 mil.
	10:00 am	Consumer Confidence Report (Oct.)	85.5
Oct. 26		**No economic indicators are scheduled for release**	
Oct. 27	8:30 am	Weekly Unemployment Claims (Wk. end 10/22)	335,000
	8:30 am	Durable Goods Orders (adv.)/ ex. trans. (Sept.)	-1.3%
	10:00 am	New Home Sales (Sept.)	1.25 mil.
Oct. 28	8:30 am	Gross Domestic Product (3rd Qtr. adv.)	+3.6%
	8:30 am	GDP Chain Deflator (3rd Qtr. adv)	+3.1%
	8:30 am	Employment Cost Index (3rd Qtr.)	+0.8%
	9:45 am	Univ. of Mich. Sentiment Survey (Oct. final)	75.8

Interest.com--all times Eastern Daylight Time

INTEREST.COM

WEEKLY MORTGAGE RATE REPORT

Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

FOR THE WEEK OF 10-23-05

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

TRACKING THE ECONOMY -- OCTOBER 2005

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS
Sept. 26	10:00 am	Existing Home Sales	Aug.	Natl. Assn. of Realtors®	+2.0% @ 7.29 mil.	-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	NA
	8:00 am	Redbook report on retail sales	Wk. end Sept. 23		NA	NA
	10:00 am	Consumer Confidence Report	Sept.	Conference Board	86.6	105.6
	10:00 am	New Home Sales	Aug.	Commerce Dept.	-9.9% @ 1.24 mil.	+6.5% @ 1.37 mil. (rev.)
Sept. 28	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	Aug.	Commerce Dept.	+3.3%/ +4.2%	-4.9%/ -3.2%
Sept. 29	8:30 am	Weekly Unemployment Claims	Wk. end Sept. 23	Dept. of Labor	356,000	435,000 (rev.)
	8:30 am	Gross Domestic Product (final)	2nd Qtr.	Commerce Dept.	3.3%	3.3%
	8:30 am	GDP Chain Deflator (final)	2nd Qtr.	Commerce Dept.	2.4%	2.4%
	8:30 am	Corporate Profits (rev.)	2nd Qtr.	Commerce Dept.	19.72%	26.95%
Sept. 30	8:30 am	Personal Incomes and Outlays	Aug.		+0.5%/ +0.1%	+0.3%/ +1.0%
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Sept.	Univ. of Michigan	76.9	76.9
	10:00 am	Chicago Purchasing Managers Institute releases index of Sept Business Conditions			60.5	49.2
Oct. 3	10:00 am	ISM releases index of Sept. Mfg. Conditions			59.4	53.6
	10:00 am	New Construction	Aug.	Commerce Dept.	+0.4%	unch.
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
Oct. 4	8:00 am	ICSC/UBS report on chain store sales	Wk. end Sept.30		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end Sept.30		NA	NA
	10:00 am	Factory Orders	Aug.	Commerce Dept.	+2.5%	-2.5% (rev.)
Oct. 5	10:00 am	Institute of Supply Management releases index of Sept. Non-Mfg. Conditions			53.3	65
Oct. 6	8:30 am	Weekly Unemployment Claims	Wk. end Sept.30	Dept. of Labor	390,000	356,000
Oct. 7	8:30 am	The Employment Report	Sept.	Dept. of Labor	-35,000 @ 5.1%	169,000 @ 4.9%
	8:30 am	Hourly wage earnings	Sept.	Dept. of Labor	+0.2% @ $16.18	+0.1% @ $16.16
	10:00 am	Wholesale trade/Inventories and Sales	Sept.	Commerce Dept.	+0.5%	-0.1% (inv.)
	3:00 pm	Consumer Credit	Aug.	Federal Reserve	$4.9 bil.	+$4.4 bil.
Oct. 10	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Oct. 11	8:00 am	ICSC/UBS report on chain store sales	Wk. end Oct. 7		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end Oct. 7		NA	NA
	2:00 pm	FOMC minutes of the Sept. 20 meeting are released				
Oct. 12		**No economic indicators are scheduled for release**				
Oct. 13	8:30 am	Weekly Unemployment Claims	Wk. end Oct. 7	Dept. of Labor	389,000	391,000 (rev.)
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Sept.	Commerce Dept.	+2.3%/ +1.1%	+1.3%/ 0.0%
	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Aug.	Commerce Dept.	$59.0 bil.	$57.9 bil.
Oct. 14	8:30 am	Consumer Price Index/core rate	Sept.	Dept. of Labor	+1.2%/ +1.1%	+0.5%/ +0.1%
	8:30 am	Advance Retail Sales/ ex-auto	Sept.	Commerce Dept.	+0.2%/ -1.1%	-2.1%/ +1.0%
	8:30 am	Business Inventories/ Sales	Aug.	Commerce Dept.	+0.5%	-0.5%/ +1.1%
	9:15 am	Industrial Production & Capacity Utilization	Sept.	Federal Reserve	-1.3%/78.6	+0.1%/ 79.8%
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Oct.	Univ. of Michigan	75.4	76.9
	2:00 pm	Treasury Statement (monthly budget)	Sept.	Treasury Dept.	TBA	-$50.0 bil.
Oct. 17	8:30 am	NY Empire State Index of Oct. Manufacturing Conditions			12.1	15.6 (rev.)
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills				
Oct. 18	8:00 am	ICSC/UBS report on chain store sales	Wk. end Oct. 14		NA	NA
	8:00 am	Redbook report on retail sales	Wk. end Oct. 14		NA	NA
	8:30 am	Producer Price Index/core rate	Sept.	Dept. of Labor	+1.9%/ +0.3%	+0.6%/ 0/0%
Oct. 19	8:30 am	Housing Starts	Sept.	Commerce Dept.	+3.4% @ 2.11 mil.	-1.3% @ 2.04 mil. (rev.)
	8:30 am	Building Permits	Sept.	Commerce Dept.	+2.3% @ 2.19 mil.	-2.3% @ 2.12 mil.
	noon	Federal Open Market Committee releases Beige Book				
Oct. 20	8:30 am	Weekly Unemployment Claims	Wk. end Oct. 14	Dept. of Labor	355,000	390,000
	10:00 am	Index of Leading Indicators	Sept.	Conference Board	-0.7%	-0.2%
	noon	Philadelphia Fed Report on Oct. manufacturing conditions		Federal Reserve	17.3	2.2
Oct. 21		**No economic indicators are scheduled for release**				
Oct. 24	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill				
Oct. 25	8:00 am	ICSC-UBS report on chain store sales	Wk. end Oct. 21		__________	__________
	8:00 am	Redbook report on retail sales	Wk. end Oct. 21		__________	__________
	10:00 am	Existing Home Sales	Sept.	Natl. Assn. of Realtors®	__________	+2.0% @ 7.29 mil.
	10:00 am	Consumer Confidence Report	Oct.	Conference Board	__________	86.6
Oct. 26		**No economic indicators are scheduled for release**				
Oct. 27	8:30 am	Weekly Unemployment Claims	Wk. end Oct. 21	Dept. of Labor	__________	355,000
	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	Sept.	Commerce Dept.	__________	+3.3/ +4.2%
	10:00 am	New Home Sales	Sept.	Commerce Dept.	__________	-9.9% @ 1.24 mil.
Oct. 28	8:30 am	Gross Domestic Product (adv.)	3rd Qtr.	Commerce Dept.	__________	+3.3%
	8:30 am	GDP Chain Deflator (adv)	3rd Qtr.	Commerce Dept.	__________	+2.4%
	8:30 am	Employment Cost Index	3rd Qtr		__________	+0.7%
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Oct.	Univ. of Michigan	__________	__________
Oct. 31	8:30 am	Personal Incomes and Outlays	Sept.		__________	__________
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill			__________	__________
Nov. 1	8:00 am	ICSC-UBS report on chain store sales	Wk. end Oct. 28		__________	__________
	8:00 am	Redbook report on retail sales	Wk. end Oct. 28		__________	__________
	10:00 am	ISM releases index of August Mfg. Conditions			__________	__________
	10:00 am	New Construction	Sept.	Commerce Dept.	__________	__________
Nov. 2		**No economic indicators are scheduled for release.**				
Nov. 3	8:30 am	Weekly Unemployment Claims	Wk. end Oct. 28	Dept. of Labor	__________	__________
	10:00 am	ISM releases index of August Mfg. Conditions			__________	__________
	10:00 am	Factory Orders	Sept.	Commerce Dept.	__________	__________
	8:30 am	Productivity & Costs	3rd Qtr.		__________	__________
Nov. 4	8:30 am	The Employment Report	Oct.	Dept. of Labor	__________	__________
	8:30 am	Hourly wage earnings	Oct.	Dept. of Labor	__________	__________

Note: In some instances, these dates are merely approximations. Release times are Eastern Daylight Time

INTEREST.COM

WEEKLY MORTGAGE RATE REPORT

Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

FOR THE WEEK OF 10-23-05

INDUSTRY NEWS

Risk of Home Price Declines Increases Slightly

WALNUT CREEK, Calif.--(BUSINESS WIRE)--Oct. 18, 2005--A number of the nation's largest housing markets remain at risk of price declines, according to the PMI U.S. Market Risk Index, issued today, and prices in many markets are overvalued. The median Risk Index value increased 11.6 percent, from 120 to 134. Topping the Risk Index list with a greater than 50 percent chance of experiencing price declines are Boston, MA, San Diego, CA, Long Island (Nassau-Suffolk), NY, Santa Ana, CA, and Oakland, CA. Nationwide, there exists a 21.8 percent probability of an overall house price decline, as measured within the next two years and across the 50 largest housing markets, up slightly from 21.3 percent last quarter. At the top of the valuation index, a new feature this quarter, were Los Angeles, where home prices are estimated to be overvalued by 33.7%, Sacramento, by 31.3%, and Riverside, by 30.7%. The Fall report is based on second quarter data, so excludes the impact of Hurricanes Katrina and Rita.

"House prices are sticky, so moving to another phase in the real estate cycle can be a slow process," explained Mark Milner, chief risk officer with PMI Mortgage Insurance Co. "But we believe that over the medium to long term, prices will move into better alignment with local economic factors, in particular income." Marco van Akkeren, an economist with PMI Mortgage Insurance Co., explained, "In the riskier markets affordability has weakened over the past several quarters as house price appreciation diverged from economic fundamentals. With this quarter's report we are seeing a continuation of that trend."

The PMI US Market Risk Index is published quarterly by PMI Mortgage Insurance Co., a subsidiary of The PMI Group, Inc. (NYSE:PMI) as part of its Economic and Real Estate Trends (ERET) report. The Risk Index indicates the probability that home prices will decline in two years. The new Valuation Index indicates whether prices are over- or undervalued compared to their long-term trend, and by how much.

The Valuation Index found that half of the nation's 50 largest housing markets are overvalued by 10 percent or more. Three are overvalued by 30 percent or more and another eleven are overvalued by 20 percent or more. Eleven markets are undervalued. Van Akkeren explained, "This is another way of looking at the markets, and the results reveal a strong association between PMI's Market Risk Index values and deviations from long-term home-price trends, shown in the Valuation Index. Taking a historical view, we also see that markets are more overvalued today than they were in the past."

Market Risk Index trends include:

--Boston, MA, San Diego, CA, and Long Island (Nassau-Suffolk), NY continue to top the Market Risk Index with scores of 551, 536, and 532, respectively, although San Diego has jumped over Long Island to second place.

--The MSAs that experienced the biggest change in Market Risk Index score since last quarter are Fort Lauderdale, FL and Las Vegas, NV. Fort Lauderdale's score increased 69 points to 288, moving it from the 18th spot to the 16th; Las Vegas also moved up two spots, from 24th to 22nd, as its score increased 67 points to 201.

--Other big gainers were in California and Florida. In Florida, Miami added 40 points for a score of 206, while Tampa gained 35 points, taking it to 201. In California, Riverside increased 44 points to 466, Los Angeles was up 39 points to 460, and Sacramento gained 37 points for a score of 456. San Jose, CA, made the biggest move in the other direction, dropping 41 points to 472, below the 50% mark and out of the top five.

--The five least risky areas are Columbus, OH, Cincinnati, OH, Memphis, TN, Indianapolis, IN, with Pittsburgh, PA last on the list with a score of 54, down a point from last quarter.

Findings of PMI's new Valuation index include:

--Of the 14 markets overvalued by 20% or more, seven are in California (Los Angeles, Sacramento, Riverside, San Diego, Santa Ana, Oakland, and San Jose), three are in the Northeast (Edison, NJ, Newark, NJ, and Nassau-Suffolk, NY), and two are in Florida (Tampa and Miami). The other two are Las Vegas, NV and Phoenix, AZ.

--Detroit, MI leads the list of undervalued markets at -10.3%, followed by three Ohio markets: Cleveland (-6.9%), Cincinnati (-3.4%), and Columbus (-3.2%).

About The PMI Economic & Real Estate Trends (ERET) Report and US Market Risk Index

The PMI Economic and Real Estate Trends (ERET) Report containing the US Market Risk Index is published quarterly by PMI Mortgage Insurance Co., a subsidiary of The PMI Group, Inc. (NYSE:PMI).

MORTGAGE MARKET MONITOR