



WEEKLY MORTGAGE RATE REPORT (Fax Weekly Report)

FOR THE WEEK OF 11-06-05
Annual subscription \$250 (1-800-844-4648)



Treasury Yields Continue Rising, Support Mortgage Rates Week in review 10/31/05 - 11/4/05

Yields on U.S. Treasuries continued to climb as the Federal Open Market Committee raised overnight lending rates for the 12th time since June 30, 2004. Although the 25-basis-point rate hike was expected, bond traders were hoping for some indication that rate increases would be coming to an end. They didn't get it, as the Fed held to its "measured pace" mantra. The present series of rate increases has been implemented to stamp out inflation, which has been rearing its head—especially due to high oil prices. Recent reports also suggest that inflationary pressures are still of major concern, igniting more selling. Inflation erodes the value of fixed-rate assets. Treasury yields, which move in the opposite direction of prices, hit their highest levels in months and mortgage rates moved up with them.

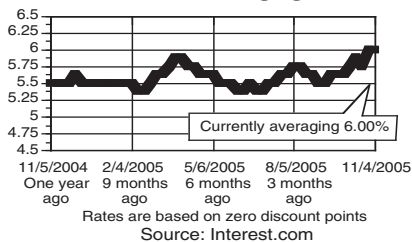
78—its highest level since May 2004. This and the Fed rate hike brought out sellers, and they haven't stopped selling since.

Personal Income and Spending in September rose 1.7 percent and 0.5 percent, respectively. The core inflation index within the report, however, came in at the high end of the Fed's comfort zone. Third-quarter Productivity and Costs were friendlier, as productivity climbed 4.1 percent. But costs fell 0.5 percent, easing concern about wage inflation. And the ISM index on the service sector jumped to 60 in October from 53.3. Finally, yields dented when October nonfarm payrolls proved weaker than expected, but a jump in hourly wages kept inflation concerns on the radar screen.

The week began quietly enough with the Chicago PMI index on October business conditions coming in at a higher-than-expected 62.9. But the numbers inside the report were benign. The same could not be said for the ISM report on October manufacturing conditions, which edged down to 59.1 versus the previous reading of 59.4. However, the 'prices paid' index, an inflation indicator, soared to 84 from

Higher mortgage rates have slowed mortgage activity, according to the Mortgage Bankers Association. For the week ended Oct. 28 purchase applications fell 6.2 percent, while refis were down 2.6 percent. The rate on the 30-year-fixed mortgage (based on zero discount points) rose above the 6.0 percent level for the first time since June 2004, while the 15-year fixed-rate held just below 5.625 percent. The introductory rate on the volatile one-year ARM edged down to 4 percent.

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	10/28/05	11/04/05
2 year T-note	4.37%	4.45%
5 year T-note	4.44%	4.55%
10 year T-note	4.56%	4.66%
30 year T-Bond	4.77%	4.85%
Discount Rate (wk. end 10/28)	4.75%	
Fed Funds Rate (wk. end 10/28)	3.76%	
Prime rate (wk. end 10/28)	6.75%	

ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Sep.)	5.86%
12 mo. avg. (1-yr. TCM) (Sep.)	3.17%
3 mo. LIBOR (FNMA for Oct.)	4.25%
6 mo. LIBOR (FNMA for Sep.)	4.45%
National COFI (Oct.)	2.54%
11th District COFI (Sep.)	2.97%
6 month CD (wk. end 10/28)	4.38%
1 Year TCM (wk. end 10/28)	4.26%
2 Year TCM (wk. end 10/28)	4.35%
3 Year TCM (wk. end 10/28)	4.37%
5 Year TCM (wk. end 10/28)	4.42%
7 Year TCM (wk. end 10/28)	4.47%
10 Year TCM (wk. end 10/28)	4.55%
20 Year TCM (wk. end 10/28)	4.82%

Required Yields for Delivery

	Freddie Mac (11/04/05)	10 day	30 day	60 day	90 day
30 year	6.11%	6.14%	6.18%	6.18%	6.23%
15 year	5.62%	5.64%	5.67%	5.67%	5.71%
	Fannie Mae (11/04/05)	10 day	30 day	60 day	90 day
30 year	6.24%	6.26%	6.30%	6.30%	6.34%
15 year	5.75%	5.77%	5.80%	5.80%	5.83%

HOUSING SNAPSHOT

	Month	Total	Change
Construction Spending	Sept.	\$1.12 tril.	+0.4%
Housing Starts	Sept.	2.11 mil.	+3.4%
Building Permits	Sept.	2.19 mil.	+2.3%
Existing Home Sales	Sept.	7.28 mil.	unch.
New Home Sales	Sept.	1.22 mil.	+2.1%

MORTGAGE APPLICATION INDEXES (MBA)		
Wk. ended Oct. 28, 2005		
Number of purchase applications	Down	-6.2%
Number of refinance applications	Down	-2.6%

Mortgage Rates Could Stick at Higher Levels Week in preview 11/7/05 - 11/11/05

After last week's U.S. October employment figures and Fed rate hike, this is one of those weeks when economic releases are scarce. In addition, the federal government offices and bond markets will be closed on Friday in observance of Veterans Day, which makes for a short week.

As usual Monday features the weekly auction of 3- and 6-month T-bills. Consumer Credit for September is also due, but it generally has no impact on the financial markets.

Minutes of the Sept. 20 meeting of the FOMC will be released on Tuesday and they will be scrutinized for information on inflation and

future intentions that may not have appeared in the Fed statement released after the meeting.

Wholesale inventories for October is the only report due Wednesday. It is expected to show a 0.4-percent rise.

First-time jobless claims for the week ended Nov. 5 are due Thursday, with claims seen firming to 325,000, while the U.S. trade deficit for September is forecast expanding to a \$61.0 billion shortfall. Import/Export Price indexes for October are also due. The University of Michigan also will release its preliminary consumer sentiment survey for November.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Nov. 7	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bills	
	3:00 pm	Consumer Credit (Sept.)	\$4.5 bil.
Nov. 8	8:00 am	ICSC/UBS report on chain store sales (Wk. end 11/5)	
	8:00 am	Redbook report on retail sales (Wk. end 11/5)	
	2:00 pm	FOMC minutes of the Sept. 20 meeting are released	
Nov. 9	10:00 am	Wholesale Inventories/Sales (Oct.)	+0.4% (inv.)
Nov. 10	8:30 am	Weekly Unemployment Claims (Wk. end 11/5)	NA
	8:30 am	U.S. Import (ex. oil) / Export (ex. ag.) Price Indexes (Oct.)	
	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit) (Sept.)	
	9:45 am	Univ. of Mich. Sentiment Survey (Nov. prelim.)	76.5
	2:00 pm	Treasury Statement (Oct. monthly budget)	-\$50.8 bil.
Nov. 11	The federal government and bond markets will be closed in observance of Veterans Day		

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Formerly the Fax Weekly Report

Keeping you abreast of the ever-changing mortgage market

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TRACKING THE ECONOMY -- OCTOBER 2005

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS	
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. 22		-0.4%	+0.4%	
	8:00 am	Redbook report on retail sales	Wk. end Oct. 22 vs. one month ago		+1.0%	NA	
	10:00 am	Existing Home Sales	Sept.	Natl. Assn. of Realtors®	unch. @ 7.28 mil.	+2.0% @ 7.28 mil.	
	10:00 am	Consumer Confidence Report	Oct.	Conference Board	85.0	86.6	
Oct. 26		No economic indicators are scheduled for release					
Oct. 27	8:30 am	Weekly Unemployment Claims	Wk. end Oct. 22	Dept. of Labor	328,000	356,000 (rev.)	
	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	Sept.	Commerce Dept.	-2.1%/-1.0%	+3.3/+4.2%	
	10:00 am	New Home Sales	Sept.	Commerce Dept.	+2.1% @ 1.22 mil.	-9.9% @ 1.24 mil.	
Oct. 28	8:30 am	Gross Domestic Product (adv.)	3rd Qtr.	Commerce Dept.	+3.8%	+3.3%	
	8:30 am	GDP Chain Deflator (adv.)	3rd Qtr.	Commerce Dept.	+3.1%	+2.4%	
	8:30 am	Employment Cost Index	3rd Qtr.	Dept. of Labor	+0.8%	+0.7%	
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Oct.	Univ. of Michigan	74.2	75.4	
Oct. 31	8:30 am	Personal Incomes and Outlays	Sept.		+1.7%/+0.5%	+0.3%/-0.9% (rev.)	
	10:00 am	Chicago Purchasing Managers Institute release index on October business conditions			62.9	60.5	
	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. 29		NA	-0.4%	
	8:00 am	Redbook report on retail sales	Wk. end Oct. 29		NA	+1.0%	
	10:00 am	ISM releases index of October Mfg. Conditions			59.1	59.4	
	10:00 am	New Construction	Sept.	Commerce Dept.	+0.5%	+0.4%	
	2:15 pm	The Federal Open Market Committee releases its decision on interest rates					+25 basis points
Nov. 2	10:00 am	No economic indicators are scheduled for release.					
Nov. 3	8:30 am	Weekly Unemployment Claims	Wk. end Oct. 29	Dept. of Labor	323,000	331,000 (rev.)	
	8:30 am	Productivity & Costs	3rd Qtr.		+4.1%/-0.5%	+1.8%/+2.5%	
	10:00 am	ISM releases index of October non-Mfg. Conditions			60	53.3	
	10:00 am	Factory Orders	Sept.	Commerce Dept.	-1.7%	+2.9%(rev.)	
Nov. 4	8:30 am	The Employment Report	Oct.	Dept. of Labor	+56,000 @ 5.0%	-8,000 (rev.) @ 5.1%	
	8:30 am	Hourly wage earnings	Oct.	Dept. of Labor	+0.5% @ \$16.27	+0.2% @ \$16.18	
Nov. 7	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bills				
	3:00 pm	Consumer Credit		Federal Reserve		\$4.9 bil.	
Nov. 8	8:00 am	ICSC/UBS report on chain store sales	Wk. end Nov. 5			NA	
	8:00 am	Redbook report on retail sales	Wk. end Nov. 5			NA	
	2:00 pm	FOMC minutes of the Sept. 20 meeting are released					
Nov. 9	10:00 am	Wholesale Inventories/Sales	Oct.	Commerce Dept.		+0.5%	
Nov. 10	8:30 am	Weekly Unemployment Claims	Wk. end Nov. 5	Dept. of Labor			
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Oct.	Commerce Dept.		+2.3%/+1.1%	
	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Sept.	Commerce Dept.		\$59.0 bil.	
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Nov.	Univ. of Michigan		75.4	
	2:00 pm	Treasury Statement (monthly budget)	Oct.	Treasury Dept.		-\$57.3 bil.	
Nov. 11		The federal government and bond markets will be closed in observance of Veterans Day					
Nov. 14	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bills				
Nov. 15	8:00 am	ICSC/UBS report on chain store sales	Wk. end Nov. 12				
	8:00 am	Redbook report on retail sales	Wk. end Nov. 12				
	8:30 am	NY Empire State Index of Nov. Manufacturing Conditions				12.1	
	8:30 am	Producer Price Index/core rate	Oct.	Dept. of Labor		+1.9%/+0.3%	
	8:30 am	Advance Retail Sales/ ex-auto	Oct.	Commerce Dept.		+0.2%/-1.1%	
Nov. 16	8:30 am	Consumer Price Index/core rate	Oct.	Dept. of Labor		+1.2%/+1.1%	
	8:30 am	Business Inventories/ Sales	Sept.	Commerce Dept.		+0.5%	
Nov. 17	8:30 am	Weekly Unemployment Claims	Wk. end Nov. 12	Dept. of Labor			
	8:30 am	Housing Starts	Oct.	Commerce Dept.		+3.4% @ 2.11 mil.	
	8:30 am	Building Permits	Oct.	Commerce Dept.		+2.3% @ 2.19 mil.	
	9:15 am	Industrial Production & Capacity Utilization	Oct.	Federal Reserve		+0.1%/ 79.8%	
	noon	Philadelphia Fed Report on Nov. manufacturing conditions		Federal Reserve		17.3	
Nov. 18		No economic indicators are scheduled for release					
Nov. 21	10:00 am	Index of Leading Indicators	Sept.	Conference Board		-0.7%	
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bill				
Nov. 22	8:00 am	ICSC-UBS report on chain store sales	Wk. end Nov. 19				
	8:00 am	Redbook report on retail sales	Wk. end Nov. 19				
	2:00 pm	Federal Open Market Committee minutes of Nov. 1 meeting					
Nov. 23	8:30 am	Weekly Unemployment Claims	Wk. end Nov. 19	Dept. of Labor		355,000	
Nov. 24		The federal government and the financial markets will be closed in observance of Thanksgiving Day.					
Nov. 25	9:45 am	Univ. of Mich. Sentiment Survey (final)	Nov.	Univ. of Michigan			
Nov. 28	10:00 am	Existing Home Sales	Oct.	Natl. Assn. of Realtors®		+2.0% @ 7.29 mil.	
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bill				
Nov. 29	8:00 am	ICSC-UBS report on chain store sales	Wk. end Nov. 26				
	8:00 am	Redbook report on retail sales	Wk. end Nov. 26				
	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	Oct.	Commerce Dept.		+3.3/+4.2%	
	10:00 am	Consumer Confidence Report	Nov.	Conference Board		86.6	
	10:00 am	New Home Sales	Oct.	Commerce Dept.		-9.9% @ 1.24 mil.	
	10:00 am	ISM releases index of October Mfg. Conditions				59.4	
Nov. 30	8:30 am	Gross Domestic Product (prelim.)	3rd Qtr.	Commerce Dept.		+3.3%	
	8:30 am	GDP Chain Deflator (prelim.)	3rd Qtr.	Commerce Dept.		+2.4%	
	10:00 am	Chicago Purchasing Managers Institute releases index on November business conditions					
	noon	Federal Open Market Committee releases Beige Book					
Dec. 1	8:30 am	Weekly Unemployment Claims	Wk. end Nov. 26	Dept. of Labor			
	8:30 am	Personal Incomes and Outlays	Oct.				
	10:00 am	New Construction	Oct.	Commerce Dept.			
	10:00 am	ISM releases index of November Mfg. Conditions					
Dec. 2	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 Standard Time



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INDUSTRY NEWS

B of A Fulfills Dream of Home Ownership with Home Giveaway Contest in Florida

One Resident Will Win a New Home as Part of Effort to Spur Low- and Moderate-Income Renters to Explore Home Ownership

TAMPA, Fla., Oct. 19 /PRNewswire/ -- One Floridian will win a free home, valued at \$200,000, from Bank of America as part of a larger effort to educate low- and moderate-income renters about the benefits of homeownership, and encourage them to take a serious look at the opportunity.

One grand prize winner, drawn at random, will take possession of a new home Bank of America will build or purchase for them in the city where they live. From Sunday, Oct. 16 through Thursday, Dec. 1, 2005, Florida residents who do not currently own a home can enter the contest and hear contest rules by calling 1.800.670.0292 anytime. No purchase is required. Individuals are limited to one entry.

"Too many renters assume they can't afford or qualify for a home. That's particularly true for low- and moderate-income residents," said Wade Griffin, North Florida consumer executive for Bank of America in Tampa. "Owners already know a home builds equity and is a significant asset, but those virtues aren't as well known to segments of Florida who think they are outside the home market."

Bank of America developed the contest to raise awareness that homeownership is easier than ever to attain for low- and moderate-income home buyers. Many don't realize the resources and products mortgage providers have available to help first-time home buyers.

According to the 2000 Census, there are an estimated two million renters in Florida. Beyond the joy and pride that comes with owning a home, renters are missing out on the opportunity to build equity, leverage the tax advantage and benefit long-term from an increase in property values.

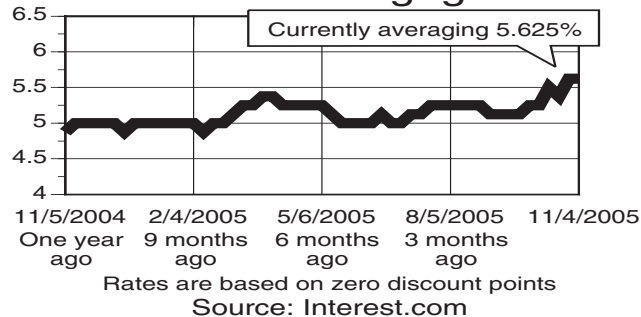
Griffin said that as Florida home prices have continued to escalate, many who did not yet own a home were left to assume buying a home is simply out of their reach. "The contest is one way to help educate people that homeownership is a way to build their assets and create financial security for about the same cost as renting," said Griffin. "If that allows us to dispel the old myths about what it takes to buy a home and help more families understand the simple steps to prequalify, learn about our special loan programs, grants and down payment assistance, and be introduced to our homebuyer education partners in the community, everybody wins."

Consumers can get more information about special programs, homebuyer education and loan products by contacting a Bank of America mortgage lending specialist.

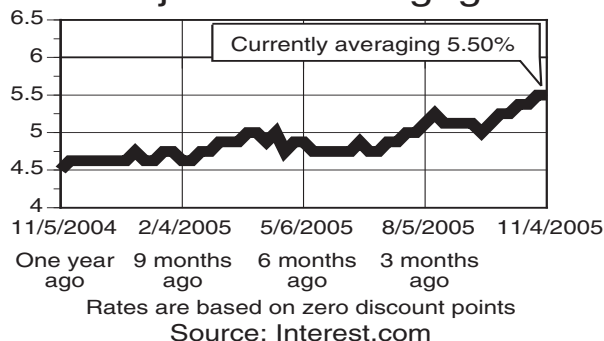
The contest winner will be required to live in their new home as a primary residence for at least 12 months after they take possession, and also attend a Bank of America Homebuyer Education Workshop, sponsored by NeighborWorks® America and Bank of America. The bank will award the winner \$75,000 for use toward any applicable state and federal income taxes on the prize.

MORTGAGE MARKET MONITOR

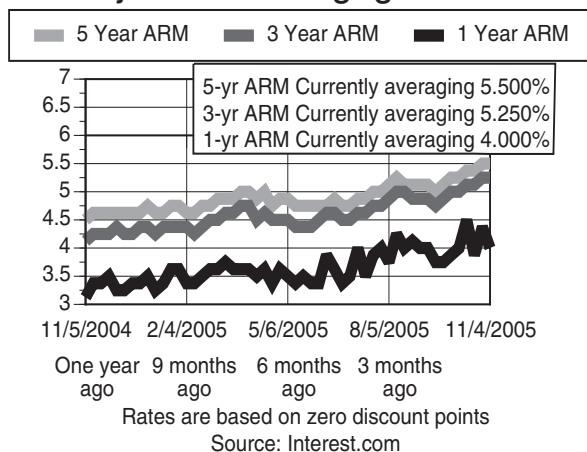
15-Year Fixed Mortgage Rate



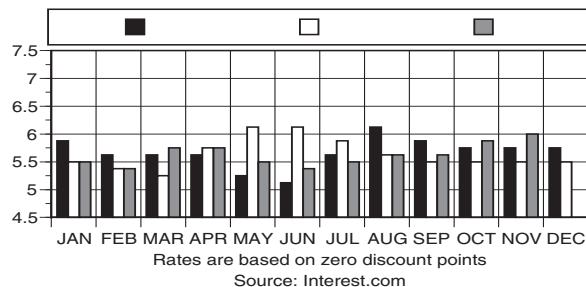
5-Year Adjustable Mortgage Rate



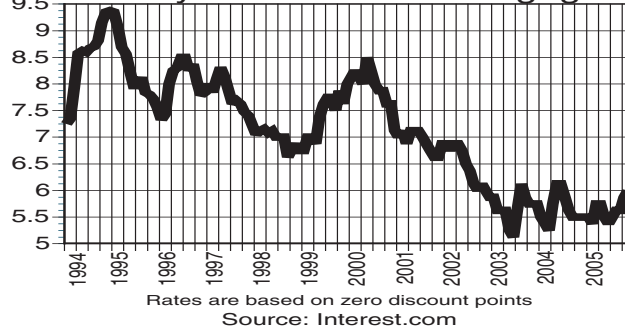
Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE



30-year fixed-rate mortgage



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