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WEEKLY MORTGAGE RATE REPORT

(Fax Weekly Report)

FOR THE WEEK OF 06-02-12
Annual subscription \$250 (1-800-844-4648)



Mortgage rates remain higher Week in review 2/6/06 - 2/10/06

There was little in the way of economic news to move U.S. Treasury securities, so they took their lead from former Fed Chairman Alan Greenspan and auctions of three- and 10-year notes and the 30-year bond, which was successfully reintroduced on Thursday and rallied Treasuries briefly on Friday. The financial markets also monitored the inversion of the yield curve, which can indicate economic weakness or even recession. Although Treasury yields, which move in the opposite direction of prices, were volatile, they evened out, allowing mortgage rates to remain close to those of last week.

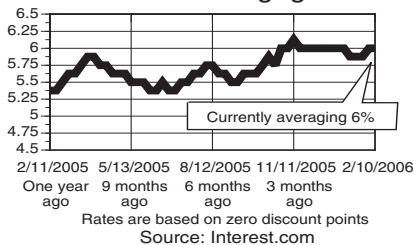
Treasuries sold on word that Alan Greenspan had offered an upbeat outlook for the equity markets to investment bankers at a major brokerage. Bull-driven stocks generally result in selling in Treasuries as investors move their funds to Wall Street in a quest for bigger profits. Investors also watched the yield curve, which is the difference between the yield on short- and long-term notes. When the yield on the two-year note is higher than that of the 10-year note this so-called inversion often indicates future economic woes, but many analysts believe changes in today's economic climate have all but erased this possibility.

First-time unemployment claims, for the week ended Feb. 4, rose to 277,000 -- far below estimates. The four-week average, which smoothes volatility, fell to 276,000 -- the lowest point since April 2000. The report alerted bond traders to growing labor market tightness, which could lead to wage increases and inflation down the road. Inflation worries investors, as it erodes the value of long-term fixed-rate assets such as bonds.

January wholesale inventories and sales were both up by 1 percent. A buildup in autos and drugs was responsible for stronger-than-expected inventories. The inventory-to-sales ratio, however, remains tight, which bodes well for manufacturing but worries traders about stronger economic growth.

Mortgages applications edged down for the week ended Feb. 3, with purchase applications falling 2.4 percent. Refis posted a slim 0.2 percent increase, according to the Mortgage Bankers Association. The rate on the 30-year fixed-rate mortgage (based on zero discount points) remains just below 6 percent, while the 15-year fixed-rate mortgage is now well above 5.5 percent. The rate on the volatile one-year adjustable-rate mortgage climbed to 4.5 percent.

30-Year Fixed Mortgage Rate



KEY INTEREST RATES

U.S. Treasury Yields	2/3/06	2/10/06
2 year T-note	4.60%	4.65%
5 year T-note	4.50%	4.54%
10 year T-note	4.54%	4.53%
30 year T-Bond	4.63%	4.50%

Discount Rate (wk. end 2/3)	5.50%
Fed Funds Rate (wk. end 2/3)	4.51%
Prime rate (wk. end 2/3)	7.50%

ARM INDEXES

Natl. Avg. Contract Mtg. Rate (Dec.)	6.29%
12 mo. mvg. avg. (1-yr. TCM) (Dec.)	3.75%
3 mo. LIBOR (FNMA for Jan.)	4.68%
6 mo. LIBOR (FNMA for Jan.)	4.81%
National COFI (Nov.)	2.82%
11th District COFI (Dec.)	3.30%
6 month CD (wk. end 2/3)	4.79%
1 Year TCM (wk. end 2/3)	4.60%
2 Year TCM (wk. end 2/3)	4.57%
3 Year TCM (wk. end 2/3)	4.52%
5 Year TCM (wk. end 2/3)	4.49%
7 Year TCM (wk. end 2/3)	4.51%
10 Year TCM (wk. end 2/3)	4.55%
20 Year TCM (wk. end 2/3)	4.75%

Required yields for delivery

	Freddie Mac (2/10/06)			
	10 day	30 day	60 day	90 day
30 year	6.04%	6.06%	6.09%	6.11%
15 year	5.58%	5.60%	5.63%	5.66%
	Fannie Mae (2/10/06)			
	10 day	30 day	60 day	90 day
30 year	6.12%	6.13%	6.17%	6.20%
15 year	5.69%	5.71%	5.74%	5.77%

HOUSING SNAPSHOT

	Month	Total	Change
Construction spending	Dec.	\$1.16 bil.	+1.0%
Housing starts	Dec.	1.93 mil.	-8.9%
Building permits	Dec.	2.07 mil.	-1.0%
Existing home sales	Dec.	6.9 mil.	-5.7%
New Home Sales	Dec.	1.27 mil.	+2.9%

MORTGAGE APPLICATION INDEXES (MBA)

	Wk. ended Feb. 3, 2006	Change
Number of purchase applications	Down	-2.4%
Number of refinance applications	Up	+0.2%

Mortgage rates likely to hold steady Week in preview 2/13/06 - 2/17/06

After a drought of economic news, a number of releases will flood the markets. Most important of these for Treasuries is the January producer price index, which checks for inflation at the wholesale level. Escalating prices will spur selling, but a benign reading could attract buyers. Also due for January: retail sales, industrial production and capacity utilization, housing starts and building permits, and a preliminary report on consumer sentiment for February.

If the reports come in on target, Treasury prices and yields should remain fairly stable. This would allow mortgage rates to do the same.

As usual, Monday features the weekly auction of 3- and 6-month Treasury bills, which has little effect on the financial markets.

The big report on Tuesday will be advance retail sales for January. This report can influence trading as it is seen to be a barometer for consumer spending -- a component that makes up two-thirds of the gross domestic product.

Manufacturing news will come out on Wednesday with the NY Empire State index on February manufacturing conditions and industrial production for January. This will be followed on Thursday with the Philly Fed survey on manufacturing in February. Also out are housing starts and building permits and first-time jobless claims for last week.

The producer price index will be key on Friday, but the University of Michigan consumer sentiment survey also has been a mover of late.

EVENTS THAT COULD IMPACT MORTGAGE RATES THIS WEEK

Date	Time	Event	Forecast
Feb. 13	1:00 pm	Treasury conducts weekly auction of 3 & 6 month T-bill	
Feb. 14	8:00 am	ICSC-UBS report on chain store sales (Wk. end 2/11)	
	8:00 am	Redbook report on retail sales (Wk. end 2/11)	
	8:30 am	Advance Retail Sales/ ex-auto (Jan.)	+0.9%
	8:30 am	Business Inventories/ Sales (Dec.)	+0.5% (inv.)
Feb. 15	8:30 am	NY Empire State Index of Feb. Manufacturing Conditions	18
	9:15 am	Industrial Production & Capacity Utilization (Jan.)	+0.2%/ 80.8
Feb. 16	8:30 am	Weekly Unemployment Claims (Wk. end 2/11)	280,000
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes (Jan.)	
	8:30 am	Housing Starts (Jan.)	2.03 mil.
	8:30 am	Building Permits (Jan.)	2.06 mil.
	noon	Philadelphia Fed Report on Feb. manufacturing conditions	9.5
Feb. 17	8:30 am	Producer Price Index/core rate (Jan.)	+0.2%/ +0.3%
	9:45 am	Univ. of Mich. Sentiment Survey (Feb. prelim.)	92.3

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Keeping you abreast of the ever-changing mortgage market

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TRACKING THE ECONOMY -- FEBRUARY 2006

DATE	TIME	EVENT	PERIOD	SOURCE	OUTCOME	PREVIOUS
Jan. 23	10:00 am	Index of Leading Indicators	Dec.	Conference Board	+0.1%	+0.9% (rev.)
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bills			
Jan. 24	8:00 am	ICSC/UBS report on chain store sales	Wk. end Jan. 21		+0.3%	-1.4%
	8:00 am	Redbook report on retail sales	Wk. end Jan. 21 v. one month ago		-0.4%	-0.6%
Jan. 25	10:00 am	Existing Home Sales	Dec.	Natl. Assn. of Realtors®	-5.7% @ 6.6 mil.	-1.7% @ 6.97 mil.
Jan. 26	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 21	Dept. of Labor	283,000	272,000 (rev.)
	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	Dec.	Commerce Dept.	+1.3%/ +0.9%	+5.4 %/-0.6% (rev.)
Jan. 27	8:30 am	Gross Domestic Product (adv.)	4th Qtr.	Commerce Dept.	+1.1%	+4.1 %
	8:30 am	GDP Chain Deflator (adv.)	4th Qtr.	Commerce Dept.	+3.0%	+3.3 %
	10:00 am	New Home Sales	Dec.	Commerce Dept.	+2.9% @ 1.27 mil.	-11.3% @ 1.25 mil.
Jan. 30	8:30 am	Personal Incomes and Outlays	Dec.	Commerce Dept.	+0.4%/ +0.9%	+0.4 %/ +0.5 % (rev.)
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bills			
Jan. 31	8:00 am	ICSC/UBS report on chain store sales	Wk. end Jan. 28		-1.1%	+0.3%
	8:00 am	Redbook report on retail sales	Wk. end Jan. 28 vs. last month		-0.2%	-0.4%
	8:30 am	Employment Cost Index	4th Qtr.	Dept. of Labor	+0.8%	+0.8%
	10:00 am	Chicago Purchasing Managers Institute release index on Jan. business conditions			58.5	61.5
	10:00 am	Consumer Confidence Report	Jan.	Conference Board	106.3	103.6
	2:15 pm	The Federal Open Market Committee releases its decision on interest rates			+25 basis points	+25 basis points
Feb. 1	10:00 am	ISM releases index of Jan. Mfg. Conditions			54.8	55.6
	10:00 am	New Construction	Dec.	Commerce Dept.	+1%	+0.2%
Feb. 2	8:30 am	Weekly Unemployment Claims	Wk. end Jan. 28	Dept. of Labor	273,000	284,000 (rev.)
	8:30 am	Productivity & Costs (prelim.)	4th Qtr.	Dept. of Labor	-0.6%/ +3.5%	+4.7%/ -1.0%
Feb. 3	8:30 am	The Employment Report	Jan.	Dept. of Labor	+193,000 @ 4.7%	+140,000 @ 4.9% (r)
	8:30 am	Hourly wage earnings	Jan.	Dept. of Labor	+0.4% @ \$16.41	+0.3% @ \$16.37
	9:45 am	Univ. of Mich. Sentiment Survey (final)	Jan.	Univ. of Michigan	91.2	93.4
	10:00 am	Factory Orders/Inv.	Dec.	Commerce Dept.	+1.1%	+3.3%/ +0.2% (rev.)
	10:00 am	ISM releases index of Jan. non-Mfg. Conditions			56.8	61
Feb. 6	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bill			
Feb. 7	8:00 am	ICSC/UBS report on chain store sales	Wk. end Feb. 4		+2%	-1.1%
	8:00 am	Redbook report on retail sales	Wk. end Feb. 4 v. one month ago		+0.4%	-0.2%
	3:00 pm	Consumer Credit		Federal Reserve	+\$3.3 bil.	-\$0.60 bil.
Feb. 8		There are no economic indicators scheduled for release today.				
Feb. 9	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 4	Dept. of Labor	277,000	273,000
	10:00 am	Wholesale Inventories/Sales	Jan.	Commerce Dept.	+1%/ +1%	+0.4%/ -0.7%
Feb. 10	8:30 am	U.S. Internatl. Trade in Goods & Services (deficit)	Dec.	Commerce Dept.	\$65.7 bil.	\$64.7 bil. (rev.)
	2:00 pm	Treasury Statement (monthly budget)	Jan.	Treasury Dept.		+\$8.6 bil.
Feb. 13	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bill			
Feb. 14	8:00 am	ICSC/UBS report on chain store sales	Wk. end Feb. 11			+2%
	8:00 am	Redbook report on retail sales	Wk. end Feb. 11 v. one month ago			+0.4%
	8:30 am	Advance Retail Sales/ ex-auto	Jan.	Commerce Dept.		+0.7%/ +0.2%
	8:30 am	Business Inventories/ Sales	Dec.	Commerce Dept.		+0.5%/
Feb. 15	8:30 am	NY Empire State Index of Feb. Manufacturing Conditions				20.1
	9:15 am	Industrial Production & Capacity Utilization	Jan.	Federal Reserve		+0.6%/ 80.7
Feb. 16	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 11	Dept. of Labor		277,000
	8:30 am	U.S. Import (ex. oil)/ Export (ex. ag.) Price Indexes	Jan.	Commerce Dept.		-0.2%/ +0.1%
	8:30 am	Housing Starts	Jan.	Commerce Dept.		-8.9% @ 1.93 mil.
	8:30 am	Building Permits	Jan.	Commerce Dept.		-1% @ 2.07 mil.
	noon	Philadelphia Fed Report on Feb. manufacturing conditions		Federal Reserve		3.3
Feb. 17	8:30 am	Producer Price Index/core rate	Jan.	Dept. of Labor		+0.9%/ +0.1%
	9:45 am	Univ. of Mich. Sentiment Survey (prelim.)	Feb.	Univ. of Michigan		91.2
Feb. 20		The federal government and financial markets will be closed in observance of Presidents Day				
Feb. 21	10:00 am	Index of Leading Indicators	Jan.	Conference Board		+0.1%
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bill			
Feb. 22	8:00 am	ICSC/UBS report on chain store sales	Wk. end Feb. 18			
	8:00 am	Redbook report on retail sales	Wk. end Feb. 18 v. one month ago			
	8:30 am	Consumer Price Index/core rate	Jan..	Dept. of Labor		-0.1%/ +0.2%
Feb. 23	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 18	Dept. of Labor		
Feb. 24	8:30 am	Durable Goods Orders (adv.)/ ex. trans.	Jan.	Commerce Dept.		+1.3%/ +0.9%
Feb. 27	10:00 am	New Home Sales	Jan.	Commerce Dept.		-2.9% @ 1.27 mil.
	1:00 pm	Treasury conducts weekly auction of 3 & 6 month	T-bills			
Feb. 28	8:00 am	ICSC/UBS report on chain store sales	Wk. end Feb. 25			
	8:00 am	Redbook report on retail sales	Wk. end Feb. 25 v. one month ago			
	8:30 am	Gross Domestic Product (prelim.)	4th Qtr.	Commerce Dept.		+1.1%
	8:30 am	GDP Chain Deflator (prelim.)	4th Qtr.	Commerce Dept.		+3.0%
	10:00 am	Existing Home Sales	Jan.	Natl. Assn. of Realtors®		-5.7% @ 6.6 mil.
	10:00 am	Consumer Confidence Report	Feb.	Conference Board		106.3
	10:00 am	Chicago Purchasing Managers Institute release index on Feb. business conditions				58.5
Mar. 1	8:30 am	Personal Incomes and Outlays	Jan.	Commerce Dept.		+0.4%/ +0.9%
	10:00 am	ISM releases index of Feb. Mfg. Conditions				54.8
	10:00 am	New Construction	Jan.	Commerce Dept.		+1%
Mar. 2	8:30 am	Weekly Unemployment Claims	Wk. end Feb. 25	Dept. of Labor		
Mar. 3	9:45 am	Univ. of Mich. Sentiment Survey (final)	Feb.	Univ. of Michigan		

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



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INDUSTRY NEWS

Freddie Mac, AREAA team up to help Asian Americans overcome homeownership obstacles

MCLEAN, Va., Jan. 31 /PRNewswire/ -- To help remove some of the homeownership challenges faced by the Asian American communities in Chicago, Houston and Southern California, Freddie Mac (NYSE: FRE) is teaming up with the Asian Real Estate Association of America (AREAA), prominent mortgage lenders, mortgage insurers and housing counseling organizations.

This initiative is designed to address language and cultural barriers, lack of knowledge about the homebuying process and other challenges identified in recent research. These barriers are keeping many Asian Americans from pursuing their dream of homeownership. To gain a better understanding of how the Asian American community perceives homeownership, and their home buying behaviors and challenges, Freddie Mac and AREAA have both published separate reports on their websites: <http://www.freddiemac.com/corporate/reports/> and <http://www.areaa.org>.

According to the U.S. Census Bureau, Asians are the second fastest growing ethnic population in the U.S., and number 13.5 million, or approximately 5 percent of the total U.S. population. The U.S. homeownership rate for Asians is 60 percent, compared to 76 percent for non-minorities.

Freddie Mac, one of the nation's largest residential mortgage investors, and AREAA, the trade association for real estate professionals who serve the Asian American market, developed the new initiative. AREAA members will help prospective home buyers locate properties, and will work with the local nonprofits and lenders to become more familiar with the products and services each offers to improve service in these communities.

Four large mortgage lenders -- Chase Home Finance, Charter One, Countrywide Home Loans and Washington Mutual -- will make available bilingual loan officers; flexible, affordable mortgage products, including those with low down payment features; and marketing support. Freddie Mac will purchase eligible mortgages.

Flexible, low down payment mortgages will also be possible due to the participation of three mortgage insurers -- Mortgage Guaranty Insurance Corporation (MGIC), PMI Mortgage Insurance Co. (PMI) and United Guaranty Insurance (UGI). Housing counseling and home-buyer education will be provided free to home buyers by local nonprofit agencies.

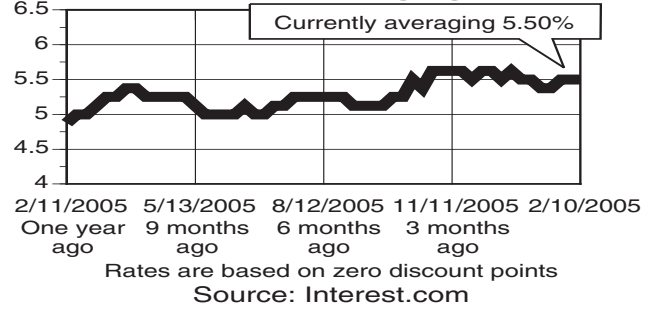
Robert Tsien, senior vice president of Freddie Mac, said, "Freddie Mac is proud to lead this effort. The Asian American homeownership rate lags behind the national average. By working closely with trusted advisors in the community, like AREAA and Asian American community organizations, the mortgage industry can help put more families on the path to owning a home."

"AREAA is pleased to work with Freddie Mac, local nonprofits, leading lenders and mortgage insurers to expand homeownership opportunities for more Asian Pacific American families. Through this groundbreaking initiative, AREAA will help prepare more real estate and mortgage professionals to better serve this important and growing market," said Allen Okamoto, chairman of AREAA.

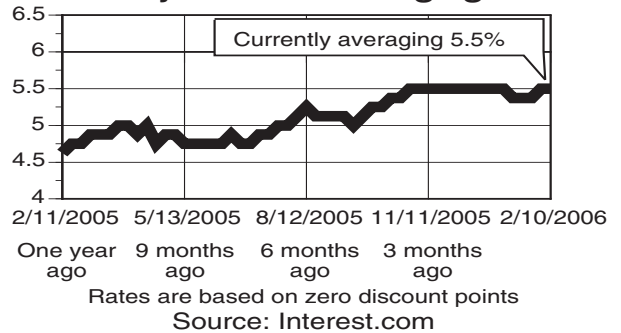
For this effort, the Chicago, Houston and Los Angeles areas were selected based on such factors as the growth in the Asian American community, lower homeownership rates and the growing presence of AREAA members in those markets.

MORTGAGE MARKET MONITOR

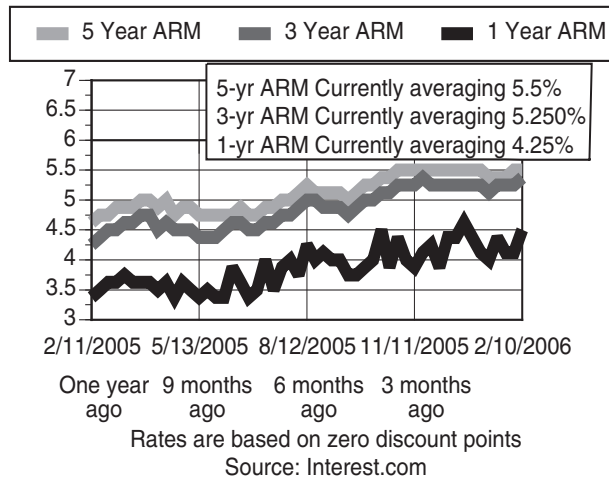
15-Year Fixed Mortgage Rate



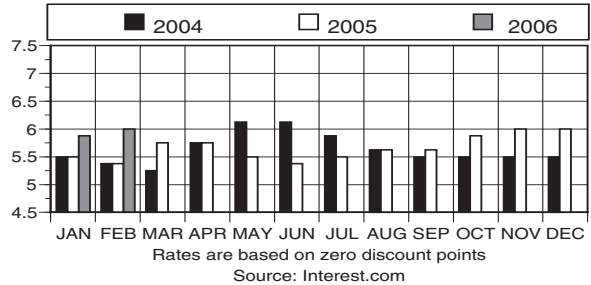
5-Year Adjustable Mortgage Rate



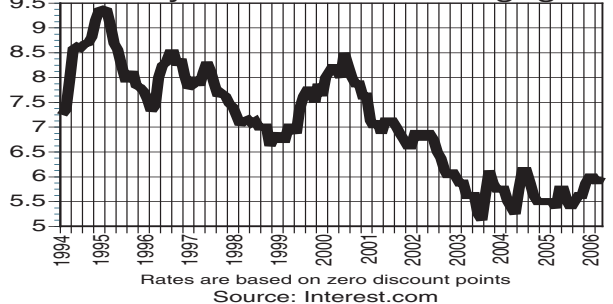
Adjustable Mortgage Rates



30 YEAR FIXED MORTGAGE RATE



30-year fixed-rate mortgage



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