

# LOAN CENTRAL

Market Update  
June 8, 2007

## Average Rates as of June 8th:

(Owner-occupied transactions)	Rate	Points
Conforming 30 Year Fixed	6.625%	0
Conforming 15 Year Fixed	6.375%	0
Jumbo 30 Year Fixed	6.750%	0
Jumbo 15 Year Fixed	6.500%	0
5/1 ARM Conforming	6.250%	0
5/1 ARM Jumbo	6.625%	0
Monthly ARM	1.250%	0

Note: Rates based on purchase transactions, vary by lender, loan size, loan-to-value ratio, loan type, loan purpose, buyer's method of income/asset documentation, credit history, length of lock term and other factors. The rates above should therefore be considered as estimates and are subject to change without notice.



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## Economic Update

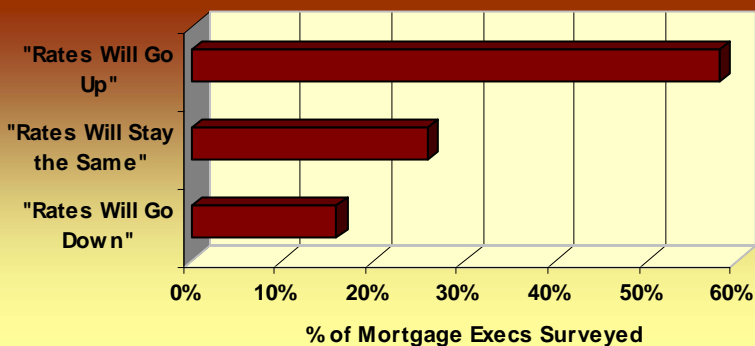
Interest rates are on the rise! Yesterday we saw the biggest selling stampede in the bond markets since March 2004 causing interest rates to leap upward. Triggered by Europe and New Zealand raising key interest rates, along with the Fed earlier in the week dimming expectations for a domestic rate cut by the end of the year, the markets were running rampant.

Moving into next week all eyes will be on Thursday's Producer Price Index and Friday's Consumer Price Index releases. Both reports are indicators of the status of inflation. A larger than expected gain in these reports could send rates even higher still. A smaller than expected gain could lend some relief to interest rates.

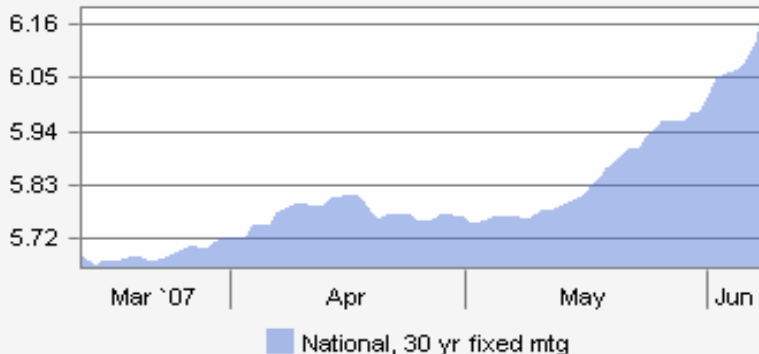
Some analysts are speculating this volatility to be an over-reaction by the markets and are predicting rates to settle down and possible even drop back a bit in the coming months. This speculation, however, is very dependent upon increased stock market weakness and the prospects of growing Middle East geopolitical concerns stoking a round of "flight to quality" buying in the bond and mortgage-backed securities markets.

**THE MARKET IS ALWAYS RIGHT...  
YOU AND I ARE SOME OF THE TIME!**

## Weekly Rate Change Index



Source: Bankrate.com



3 Month Trend for the National Average Rate for 30 Year Fixed Loans Priced With 1 Discount Point

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