Mortgage Monitor

Weekly

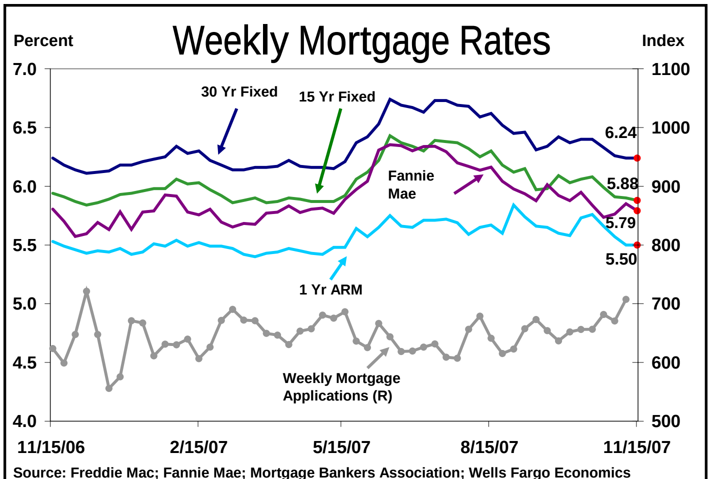
November 16, 2007

Historical comparisons	1-Yr ARM	15-Yr fixed	30-Yr fixed	Fannie Mae coupon	Mortgage Applications (Y/Y%)	
This week	*5.50*	*5.88*	*6.24*	*5.79*	Total	*9.2%*
Last week	*5.50*	*5.90*	*6.24*	*5.85*	Purchase	*4.8%*
Year ago	*5.53*	*5.94*	*6.24*	*5.81*	Refinance	*14.5%*

30-Year Rate Holds Steady at 6.24%

Recap: The average 30-year fixed rate held steady at 6.24%, the 15-year fixed rate fell to 5.88% from 5.90%, and the 1-year ARM held steady at 5.50%.

Week in review: *Mortgage rates held steady this week amid mixed economic news and continued credit concerns.* Despite a 13K drop in initial jobless claims, 10-year Treasury yields fell on November 8 as the 30-year bond auction drew the lowest yield since February 2006, while Fed Chairman Ben Bernanke said he expects the economy to “slow noticeably.” Yields fell again on November 9 as a narrowing of the September trade deficit to $56.5 billion and a 1.8% rise in October import prices were overshadowed by announcements of mortgage-related losses from Barclays and Wachovia, a plunge in the November University of Michigan Sentiment Index to 75, and a downward revision to the European Union’s growth forecast, all of which led to a plunge in the stock market and a rush into the safety of Treasuries. Following the Veteran’s Day holiday, yields rebounded on November 13 as strong corporate earnings, a drop in oil prices and a surprise 0.2% rise in September pending home sales fueled a surge in the stock market, making Treasuries less attractive. A weak 3-month bill auction also softened demand for Treasuries. Although the 0.1% rise in the October PPI was less than forecast, the year-over-year measure of 6.1% was a jump from the 4.4% rise in September. This, coupled with a stronger-than-expected 0.2% rise in October retail sales, helped to lift yields on November 14.

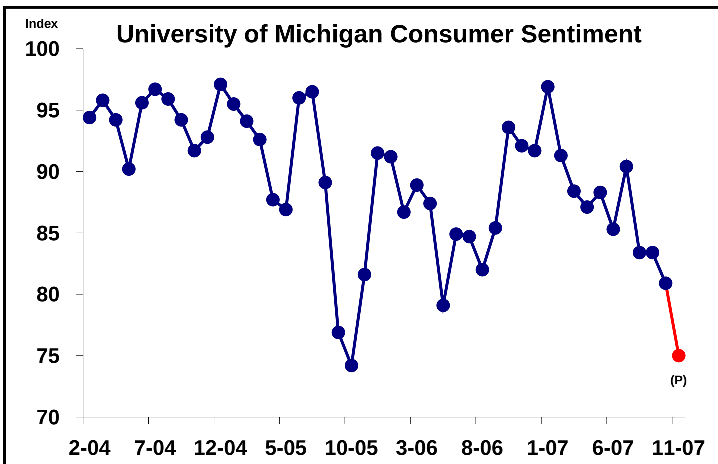


Source: Freddie Mac; Fannie Mae; Mortgage Bankers Association; Wells Fargo Economics

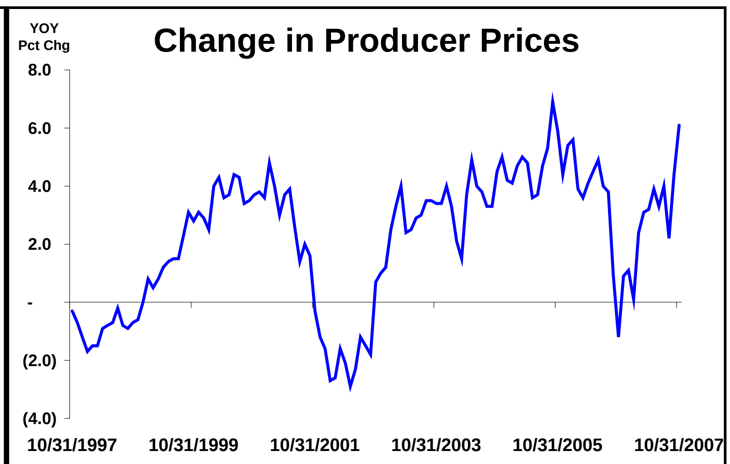
Fed Funds Rate: The Fed Funds rate currently stands at 4.50%. The next meeting is December 11, at which time we expect the Fed to hold rates steady as the Fed has stated the risks to growth and inflation are roughly balanced.

Outlook: Despite strong manufacturing reports and accelerating CPI, yields plummeted on November 15 as initial jobless claims rose and credit concerns roiled the stock market. This, along with reports on industrial production and housing, and continued credit concerns, will drive mortgage rates in the upcoming week.

-Ed Kashmarek, Economist
Wells Fargo & Company



Source: University of Michigan Survey Research



Source: Bureau of Labor Statistics

	History							Month-to-Date	Current	Forecast (monthly)							
Financial Data	2007.05	2007.06	2007.07	2007.08	2007.09	2007.10	2007.11	11/16/2007	2007.12	2008.01	2008.02	2008.03	2008.04	2008.05	2008.06	2008.07
Federal Funds Rate	5.26	5.24	5.24	4.53	4.89	4.62	4.38	4.56	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Treasury-10 Year Notes (yield)	4.75	5.10	5.01	4.67	4.52	4.53	4.28	4.15	4.35	4.40	4.40	4.45	4.45	4.55	4.55	4.55
Prime Rate	8.25	8.25	8.25	8.25	8.03	7.74	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Mortgage-15 Year (yield)	5.93	6.30	6.36	6.25	6.05	6.05	5.90	5.88	5.90	5.95	5.95	6.00	6.00	6.10	6.10	6.10
Mortgage-Adjustable (yield)	5.50	5.66	5.70	5.65	5.70	5.67	5.53	5.50	5.54	5.59	5.59	5.64	5.64	5.74	5.74	5.74
Mortgage-30 Year (yield)	6.23	6.61	6.69	6.59	6.39	6.38	6.25	6.24	6.24	6.29	6.29	6.34	6.34	6.44	6.44	6.44