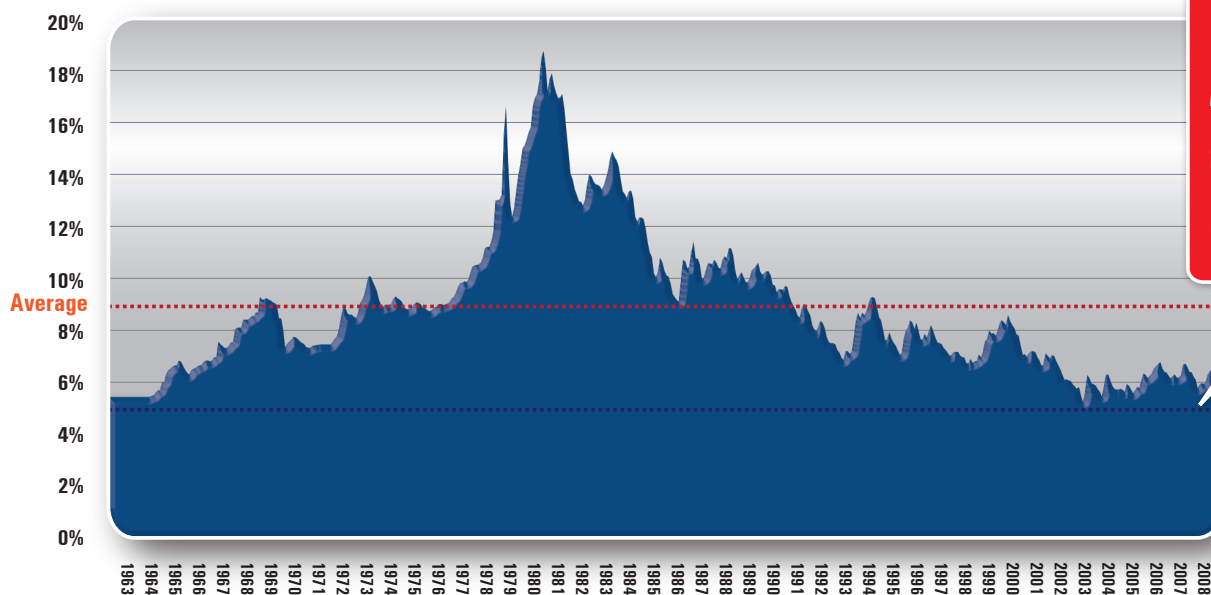




30 Year Fixed Mortgage Rates



**Current
Average Rate
approximately
5.0%**

Thanks in part to recent US Treasury purchases of agency mortgage securities, 30 year fixed rate conventional mortgage rates have taken a plunge into the 5.0% range. As always, they are subject to change at any time based on the usual market forces. Early reports from the news media speculating about rates being pushed down to 4.5% has some people waiting for this to occur. There is no certainty about this and in fact, the mechanics of making it happen and potentially limiting it to certain transaction types is fraught with many problems. What is certain is where rates are today and by referencing the chart above, you can see that average annual rates have been as high as 18% and rarely even close to where they are today. As we're now in uncharted territory, waiting for further improvement may not be prudent.

Just like insurance, locking in a rate when it makes economic sense protects today's benefits. One can always take advantage of a future lower rate, yet you can never go back and lock today's rate once tomorrow has arrived. One might also consider the "toll booth at rush hour" effect that will exist as demand peaks when rates make their inevitable and usually swift turn back up. This always creates lost opportunity for those that tried to "time" the bottom.

If you are undecided, beginning the process and putting yourself into a position where you are poised and able to lock can be a good interim strategy. As always, I'm happy to consult with you further to discuss the best approach.