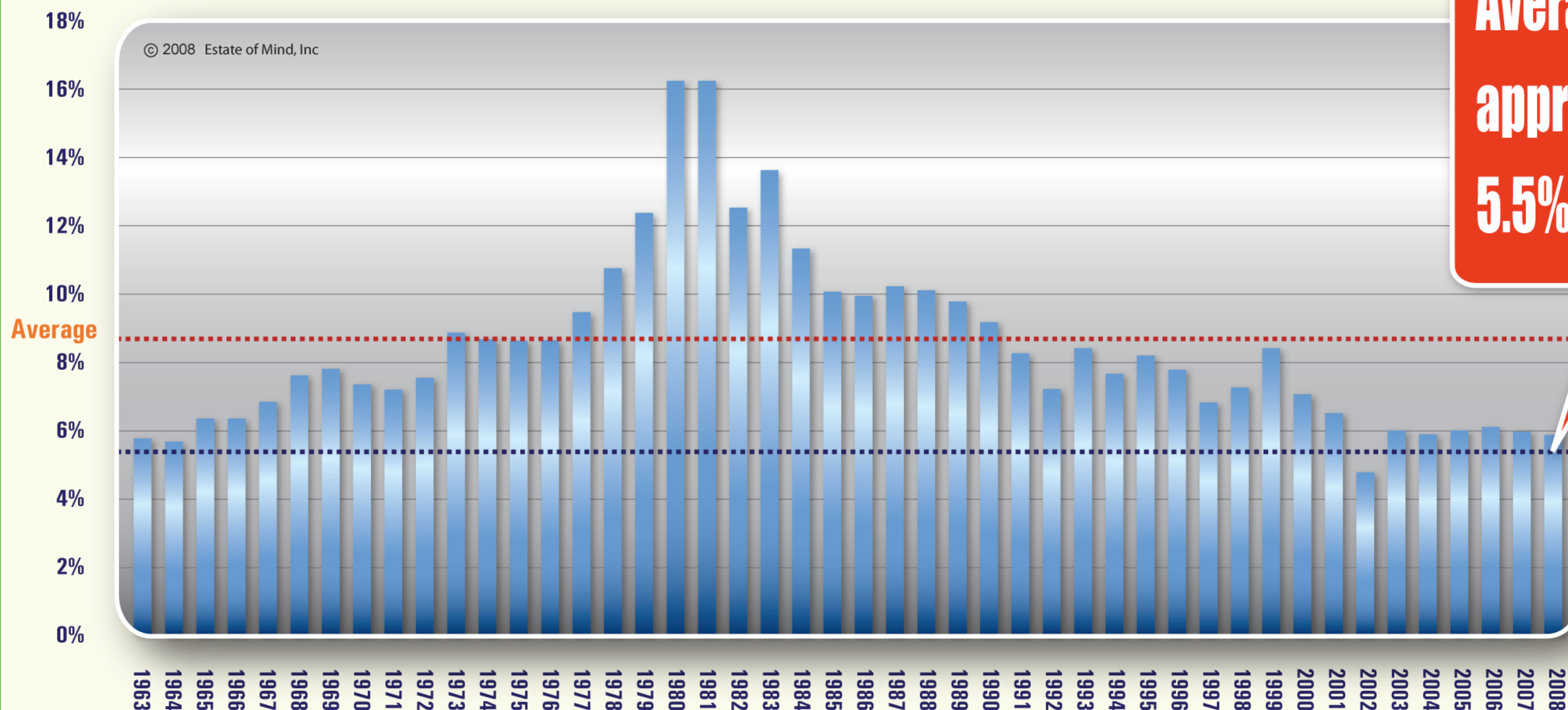




### Average Annual 30 Year Fixed Rate



**Current  
Average Rate  
approximately  
5.5%**

Thanks in part to a recent US Treasury announcement to purchase agency mortgage securities, 30 year fixed rate conventional mortgage rates have taken a plunge into the 5.5% range. As always, they are subject to change at anytime based on the usual market forces. Early reports from the news media speculating about rates being pushed down into the 4's has some people waiting for this to occur. There is no certainty there and in fact, the mechanics of making this 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 17% and only barely lower than where they are today. That means that the bottom you may be waiting for could very well have occurred back in 2002 or be here right now.

Just like having insurance, locking in a rate when it makes economic sense today protects today's benefits. You can always take advantage again later if rates do go down further, 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.