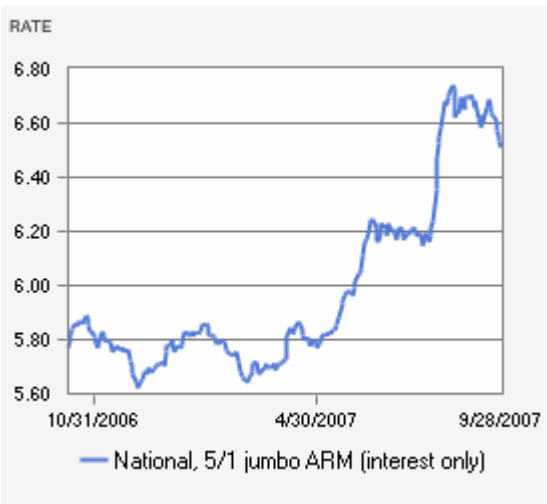
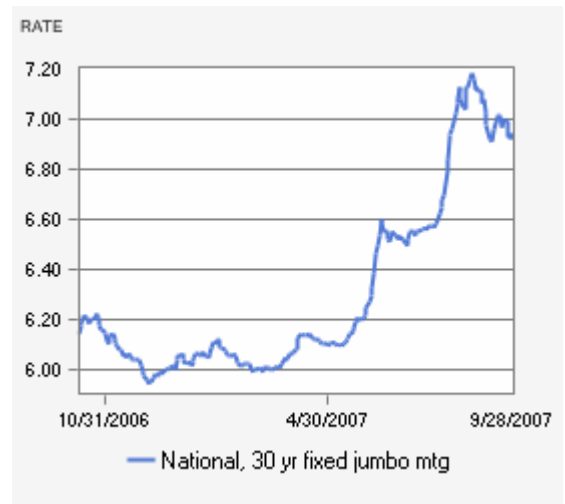


Rate Watch as of October 1, 2007

The charts below were obtained from www.bankrate.com. They show the daily interest rate fluctuations for the past 12 months for the Interest Only 5/1 ARM (adjustable rate mortgage).



The 5/1 ARM stays fixed for the first 5 years and becomes adjustable thereafter. The "1" means the interest rate can only change every ONE year after the fixed period expires. Interest only options are available on all ARM products and in some cases, can reduce your monthly payment. ARMS are available with 1, 2, 3, 5, 7 & 10-year fixed periods.



The 30-year fixed mortgage is one of the most conservative loan products available. Although the interest rate is fixed for the full 30 years, Interest Only options (for the first 10 of 15 years) are now available so borrowers can enjoy the lower interest only payments while maintaining the stability of a 30-year fixed interest rate.

Federal Funds Rate	4.75%
The "Prime" Rate	7.75%
6-Month LIBOR Index	5.14%
1-Year LIBOR Index	4.90%

A-Paper Adjustable Rate	7.15%
"Alt-A" Adjustable Rate	7.89%
30-yr. Fixed (A-paper 80%)	6.250%
5/1 ARM (A-paper 80%)	6.250%

Light crude is at \$81.66 and rising.

US Dollar is at 0.7006 Euros and falling.

September Overview & Discussion

Please keep in mind that the charts above show JUMBO (\$417K+) mortgage rates while the yellow table shows CONFORMING mortgage rates. The meltdown certainly affected some products more than others and the jumbo programs took it on the chin. But it looks like the market found a ceiling (and I'm sure the actions by the Fed didn't hurt) and I expect rates will drift downwards from where they are right now. The interesting thing is that conforming loans are actually quite competitive right now. You can get into a 30-year fixed at 6.25% with an A-paper credit profile and that's an excellent rate. If you're thinking of refinancing or buying something, you're well advised to consider splitting the loan amounts up so you can squeeze into a conforming 1st mortgage. Believe me; the difference in rate is well worth it.

Please keep in mind that the rates displayed above assume the most attractive scenario possible and may not be available for all borrowers or scenarios. Your interest rate is determined by your credit, income and asset profile as well as the transaction details. Please call for a formal quote on the scenario you might be considering.