

Mark Cohen &



Mortgage Rates for the Week of January 7, 2013

Loan Type	Maximum	Rate	Payment per \$1,000*	Fee (Points)	APR	
30 Yr. Fixed	\$417,000	3.250%	\$4.35	1.0	3.47%	
15 Yr. Fixed	\$417,000	2.500%	\$3.95	1.0	2.71%	
5/1 ARM	\$417,000	2.375%	\$3.89	1.0	2.58%	
7/1 ARM	\$417,000	2.625%	\$4.02	1.0	2.83%	
10/1 ARM	\$417,000	2.865%	\$4.14	1.0	3.08%	
30 Yr. Fixed	\$625,500	3.250%	\$4.35	1.0	3.47%	
15 Yr. Fixed	\$625,500	2.625%	\$4.02	1.0	2.87%	
5/1 ARM	\$625,500	2.375%	\$3.89	1.0	2.61%	
7/1 ARM	\$625,500	2.500%	\$3.95	1.0	2.74%	
10/1 ARM	\$625,500	2.865%	\$4.14	1.0	3.11%	
Featured Rates	15 Yr. Fixed	\$5,000,000	3.250%	\$4.35	1.0	3.50%
	5/1 ARM	\$5,000,000	2.625%	\$4.02	1.0	2.73%
	7/1 ARM	\$5,000,000	3.000%	\$4.22	1.0	3.11%
	10/1 ARM	\$5,000,000	3.250%	\$4.35	1.0	3.36%

Please call 310-777-5401 for zero-point options

*Assumption: first-trust deed

Closing Prices and Changes for the Previous Week

30 Year Treasury Bond	3.09%	+0.05
10 Year Treasury Bond	1.89%	+0.06
5 Year Treasury Bond	0.80%	+0.04
2 Year Treasury Bond	0.26%	+0.01
6 Month Bill	0.11%	Unch.
Prime Rate	3.25%	Unch.

We have some of the best LTVs

\$5,000,000	Up to 70% LTV
\$3,000,000	Up to 75% LTV
\$2,000,000	Up to 80% LTV
\$625,500	Up to 96.5% LTV

Jumbo funding is amply available from our proprietary sources with proper navigation through an overmatched banking system – one of Cohen Financial Group's core strengths.

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Market Analysis for the Week of January 7, 2013



The year began on a rough note for mortgage rates. A one-two combination of a fiscal cliff deal and unfavorable news from the Fed caused mortgage rates to end the week sharply higher.

The economic data released last week generally came in close to expectations.

Wednesday, mortgage rates reacted to the news that politicians reached a fiscal cliff deal which will avoid most of the spending cuts and tax increases which were set to take place at the start of 2013. While much of the debate was simply postponed, the deal reduces the risk of slower economic growth which would have resulted from the expiring programs. This was good news for stocks and bad news for bonds.

The second big surprise last week came from Thursday's release of the FOMC Minutes from the

December 12 Fed meeting. Investors have believed that Fed officials intend to continue purchasing mortgage-backed securities (MBS) and Treasuries for quite a while. The Minutes revealed that there was far less support for Fed asset purchases than previously thought, however. With the Fed currently buying the majority of all newly issued MBS, the hint that Fed purchases could end sooner than expected caused MBS prices to decline. Since mortgage rates are largely determined by MBS prices, mortgage rates increased.

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Mr. Cohen has been recognized as California's #1 Mortgage Originator, by *Mortgage Originator Magazine*

Major Economic News Due This Week

The economic calendar will be very light this week. Import Prices and the Trade Balance will be released on Friday. There will be Treasury auctions on Tuesday, Wednesday, and Thursday.

Notable Items

- The unemployment rate remained at 7.8% in December
- The economy added an average of 153K jobs per month during 2012
- Gold prices dropped to the lowest levels since August
- The Treasury will auction \$66 billion in 3-yr, 10-yr, and 30-yr securities this week

Good News on Mortgage Limits

Effective immediately, loan amounts of all FNMA- and FHA-guaranteed loans are \$625,500 (for high cost areas). This is the news that we have all been looking forward to. Rates are under 5% for most fixed rate mortgages.

• **Call for commercial, apartment and construction financing** •

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