



Mid Valley Financial

Mortgage Banker, Since 1985

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NAHB Does About-Face on GOP Tax Cuts

We know that politics makes strange bedfellows. Still we get confused when they rise up and **switch partners** in the middle of the night.

A mere 25 days ago, we reported that the National Association of Home Builders (NAHB) had abandoned its 75 years of **vigorously supporting** the mortgage interest tax deduction (**MID**) as the Republican majority in Congress was beginning discussions about their planned massive tax cuts (AKA tax reform). The National Association of Realtors (NAR), NAHB's staunch partner in the 75-year battle to protect the MID, was holding firm.

Way back then, in early October, NAHB seemed willing to forego the MID in favor of protecting the **low-income tax credit**. The then current chairman, Granger MacDonald, said "By lowering the pass-through rate, the plan will reduce the tax bill of thousands of small businesses and help to spur job and economic growth. More importantly, the blueprint maintains the Low-Income Housing Tax Credit, the most indispensable tool to help produce affordable rental housing. The plan also retains a business interest deduction for small businesses, which would ensure that our future tax code is truly pro-growth."

Granger went on to acknowledge the tradeoffs and that the effectiveness of the MID "could be diminished as more families elect to take a higher standard deduction." He pledged the involvement of NAHB to help mitigate any detrimental effects the changes could have on the housing market."

In other words, its own most sacred cow(s) protected, NAHB seemed more than ready to support what was, at that point, the thinly documented GOP tax plan.

On Saturday, according to Politico, NAHB accused House Speaker Paul Ryan of "abruptly reversing course on a mortgage tax credit proposal" and announced it would oppose the tax-reform proposal that GOP lawmakers expect to unveil on Wednesday.

NAHB did not, in its early comments, seem to view the MID as crucial. NAHB CEO Jerry Howard, raised the prospect of a mortgage tax credit, which, unlike the MID, wouldn't require taxpayers to itemize. However, Politico says the lobbying group continued to work with House Ways and Means Chairman Kevin Brady (R-Texas) to keep the tax breaks for homeowners. Another part of the GOP plan would remove the deduction for state and local taxes which would include the real estate or property tax. Brady had agreed to combine the MID and local property taxes into a **single tax credit** but late

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00
Freddie Mac			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

Recent Housing Data

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

Housing News Update

Friday informed NAHB's Howard that the idea had been rejected by House leadership. House Speaker Ryan said House members were not comfortable with the concept.

	Value	Change
Builder Confidence	Mar 51	+6.25%

Howard reacted strongly saying he didn't think it was fair "of the speaker to take a concept that his own committee chair is in favor of and deep-six it without vetting it with the conference." Howard told Politico's Lorraine Woellert, "He (Ryan) told me there wasn't enough time and the concept would not be put into the document. I told the speaker candidly we had shopped the proposal to the White House and **we had support there.**"

Brady said in a statement that tax writers will restore an itemized property tax deduction to the plan and suggested that the fight over the mortgage tax break wasn't over.

Howard, for his part, said "All the resources we were going to put into supporting are now going to go into opposing the plan."

Who is Mid Valley Financial?

Mid Valley Financial, located in Fresno, CA, is the Central Valley's premier destination for a wide range of residential and commercial real estate loans. Our commitment to excellence has made us a trusted partner for property buyers and investors seeking tailored financial solutions.

Why Choose Us:

With a track record spanning back to our inception in 1985, we have established ourselves as a reliable and innovative lender. We proudly serve properties exclusively within California, having funded loans in all 58 counties of the state. Our deep-rooted experience enables us to navigate complex loan scenarios with expertise and efficiency.

Our Approach:

At Mid Valley Financial, we prioritize your financial goals. Whether you're a first-time homebuyer, envisioning your dream property, refinancing an existing mortgage, or looking to tap into your property's equity, our seasoned loan officers offer a wealth of knowledge and over 300 years of collective experience. We ensure that your funds are prepared when you need them, providing a smooth and swift loan process.

Unlocking Possibilities:

As one of California's leading direct lenders, we've streamlined the loan process, minimizing obstacles that often deter borrowers. Many of our clients receive approvals within an hour, showcasing our dedication to quick and hassle-free solutions.

Your Journey with Us:

Contact the MVF team today and let us put your journey to property ownership on cruise control. Our mission is to empower borrowers while fostering enduring and meaningful relationships. With highly competitive rates, a commitment to transparency, and a dedication to your financial success, Mid Valley Financial is your partner in realizing your real estate aspirations.

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