



Mid Valley Financial

Mortgage Banker, Since 1985

Broker CA DRE#01206057 | NMLS ID#219418

7644 N. Palm Avenue Fresno, CA 93711

Office: (559) 432-8221

Mobile: (559) 432-8221

Fax: (559) 432-8298

info@mvloans.com

[View My Website](#)

NAR Jumps into Tax Reform Fight; MBA Holds the Towel

While the National Association of Home Builders (NAHB) was **fast out of the box** yesterday, **slamming** the newly released Republican tax reform proposal, the National Association of Realtors® (NAR) issued a statement merely acknowledging release of the bill and saying it needed time for a review. It didn't take long.

Before the close of business yesterday it released a statement from its President William E. Brown calling the proposed bill "a tax increase on middle-class homeowners" one that "threatens home values and takes money straight from the pockets of homeowners."

Brown continued, "Realtors® believe in the promise of lower tax rates, but this bill is nowhere near as good a deal as the one middle-class homeowners get **under current law**. Tax hikes and falling home prices are a one-two punch that homeowners simply can't afford."

He referenced the Census Bureau's recent data on the country's homeownership rate which shows it still hovering around a **50-year low** after a more than decade-long slide and said that buying a home is the single largest investment many middle-class families will ever make. It is also an important path to household wealth; the average net worth of a homeowner is 45 times that of a renter. "By eliminating or nullifying the incentive for homeownership, however, Realtors® are concerned that homeownership's wealth-building potential could be pushed out of reach."

Brown pointed to an NAR analysis of the House Republican blueprint for reform made earlier this year. It found that plan, which proposed nullifying the **mortgage interest deduction (MID)** for all but the top 5 percent of tax filers as well as eliminating the deductibility of state and local taxes including property taxes, would cause a 10 percent drop in home values and raise taxes on middle-class homeowners by an average of \$815.

Like that blueprint, the proposed legislation doubles the standard deduction, while **repealing all itemized deductions**, except for charitable contributions and the MID. However, it caps the latter at \$500,000 for newly purchased homes. The bill also eliminates state income tax deductions altogether, while installing a new cap on property taxes and puts new restrictions on the capital gains exemption homeowners utilize today when they sell their home. "The exemption is vital to allowing homeowners to use their equity to pay for retirement and other long-term needs," Brown said.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.44%	-0.04	0.00
15 Yr. Fixed	5.97%	-0.03	0.00
30 Yr. FHA	5.90%	-0.04	0.00
30 Yr. Jumbo	6.66%	-0.02	0.00
5/1 ARM	6.32%	-0.06	0.00
Freddie Mac			
30 Yr. Fixed	6.46%	-0.40	0.00
15 Yr. Fixed	5.62%	-0.54	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	6.54%	-0.01	0.57
15 Yr. Fixed	5.96%	-0.07	0.65
30 Yr. FHA	6.49%	0.00	0.77
30 Yr. Jumbo	6.78%	+0.01	0.37
5/1 ARM	6.04%	+0.13	0.87

Rates as of: 8/23

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 14	251.3	+16.83%
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%

He concluded by stating that "The nation's 1.3 million Realtors® **cannot support a bill that takes homeownership off the table** for millions of middle-class families. We know this legislation is just the beginning of a much longer discussion. Our members will continue to make their voices heard as we push towards tax reform that responsibly lowers rate while protecting the dream of homeownership."

	Value	Change
Builder Confidence	51	+6.25%

The Mortgage Bankers Association (MBA) also expressed concern about those portions of the tax proposal that affect housing. MBA President and CEO David H. Stevens said his group is concerned about the MID, deductibility of local real estate taxes and the capital gains exception and added they had problems with certain provisions on the production of affordable housing.

On the positive side, MBA was pleased the bill retained the deductibility of business interest for real estate, section 1031 like-kind exchanges for real property, and the low-income housing tax credit.

Stevens' statement concluded, "We recognize this is the opening bid in the discussion on tax reform and we look forward to continuing to work with policymakers to **find the right balance** that both reduces the tax burden on American families and spurs economic growth, without posing unnecessary risk to the housing and real estate markets."

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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