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
info@mvloans.com
View My Website

Don't Be Fooled By Fake News on Rates and Housing

It was a complex week in the world of mortgage rates and housing markets. Complexity often creates inconsistent news coverage. At best, most of the coverage fell short. At worst, some of it was downright wrong. Let's clear things up!

Last week's newsletter covered the **surge** to the highest interest rates in roughly 7 years. To be sure, this rising rate environment deserves attention. As seen in the following chart, it just surpassed the trough-to-peak move seen in 2012-2013. But whereas many media outlets were putting out dire headlines about the 7-year highs **THIS** week, rates actually staged quite a healthy recovery.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.33%	-0.12	0.00
15YR Fixed	6.89%	-0.10	0.00
30YR FHA	6.95%	-0.10	0.00
30YR Jumbo	7.44%	-0.06	0.00
7/6 SOFR	6.81%	-0.19	0.00
30YR VA	6.97%	-0.10	0.00

Rates as of: 11/20

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.51	+0.41
10 YR Treasury	4.9403	-0.1033
30 YR Treasury	5.3324	-0.0738

Pricing as of: 11/20 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Nov 11	199.8	-2.35%
Building Permits	Oct	1.3M	-7.5%
Housing Starts	Oct	1.31M	+7.21%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Oct	63	-4.69%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Nov	25	-13.79%

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans





What gives?! How could the chart above coexist with these headlines from the past 48 hours?

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

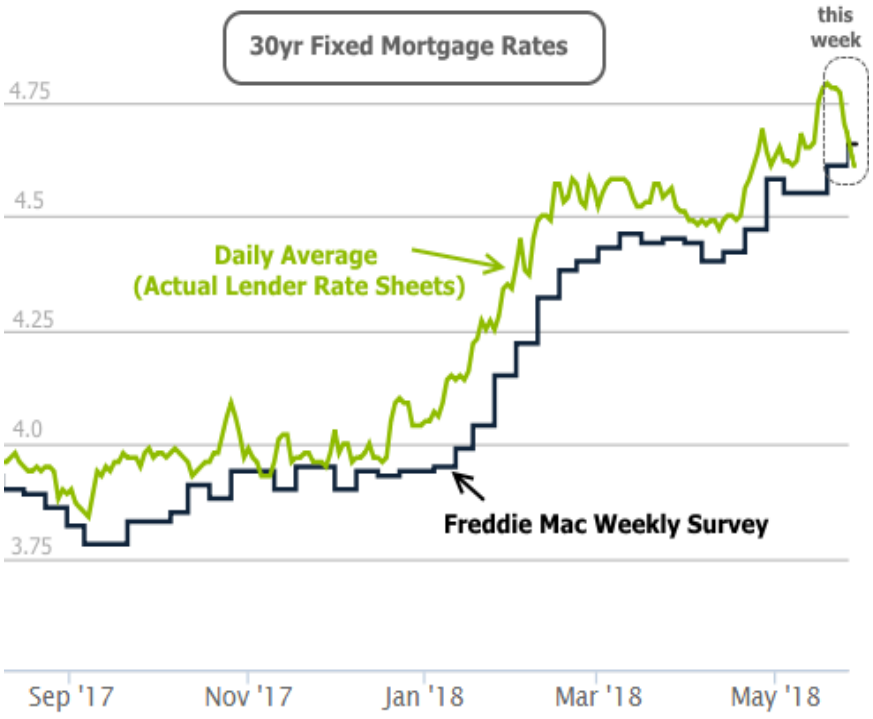
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans

Mortgage rates march to fresh 7-year high -**Marketwatch**
Mortgage rates are Skyrocketing -**NASDAQ**
30-year mortgage rates post 7-year high -**Reuters**
Mortgage rates have been rising at a pace not seen in almost 50 years - **Washington Post**

The answer is simple. A **vast majority** of mortgage rate news is based on Freddie Mac's weekly survey. Over time, Freddie's numbers do a fine job of tracking long-term rate trends, but they can completely miss the mark when it comes to short-term volatility.

The problem is that the weekly survey mostly captures Monday and Tuesday's rate quotes. Last week, that meant Freddie was capturing the **lowest** rates. This week, Monday and Tuesday saw the **highest** rates. In other words, it was the worst possible timing for Freddie's survey. Fortunately, we can easily examine day-to-day changes (green line below) to see reality.



We can now agree mortgage rates and Treasury yields moved lower this week, no matter what the average news story says, **but why?** Here too, things are bit more complex than normal. Whereas rates often move in response to an important economic report or a policy update from the Federal Reserve, this week was really all about Italian politics.

You read that correctly! As unrelated as it may seem, political risk in Italy **directly** translated to this week's rate rally. If we explore some of the details, it actually makes a fair amount of sense.

Europe is among the world's top 3 economies. Italy is the 3rd largest economy in the Euro area. Drama in Italy reverberates throughout the European economy. **More importantly**, if Italy were to exit the European Union (in similar fashion to Great Britain's "Brexit" in 2016), financial markets would have to account for a domino effect.

Why does this matter this week? It's actually mattered for a few months, ever since Italy's anti-establishment 5-Star Party staged an election upset. The EU wasn't immediately doomed, however, because 5-Star didn't win by enough to govern on its own. It needed to form a coalition with one of Italy's other political parties, and that didn't happen until just last week.

Rather than team up with a party that would promote a more moderate view, 5-Star joined with the only other party that wants Italy to leave the EU. Since then, financial markets have been **panicking** about an Italian version of Brexit.

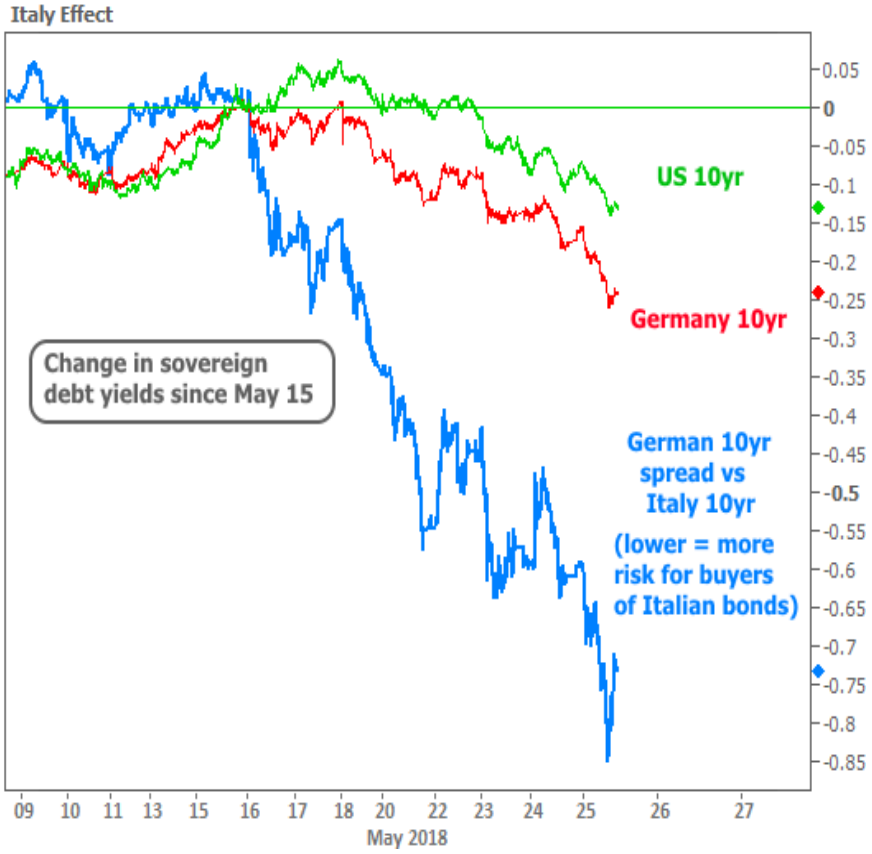
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans

While we don't know exactly what that might look like, investors can agree it increases both economic uncertainty and Italy's credit risk. The **obvious trade** is to sell Italian bonds and buy safer haven assets (such as the bonds of big, stable economies like Germany and the U.S.).

Excess demand for bonds pushes rates lower. As such, U.S. and German rates **fell** this week as Italy's rates **skyrocketed**. The following chart shows the spread between Germany and Italy (which moves lower as Italy's rates rise). Simply put, the lower the blue line, the more investors are worrying about Italy.



Though esoteric, these **details are important** in considering near-term risks for mortgage rates. While we can't yet know if the new Italian government will actually push Italy out of the EU, we can at least observe that this week's rate recovery is predicated on a highly uncertain, highly volatile situation.

In other words, it's **not** as if we've seen a confirmed shift in economic data or Fed policy. Rates **could** continue lower from here, but that would require a fairly constant supply of European drama, all other things being equal. Moreover, the longer-term factors that have been pushing rates higher are still there (this stuff). As such, it makes sense to **work quickly to satisfy loan approval conditions** so you can be ready to lock.

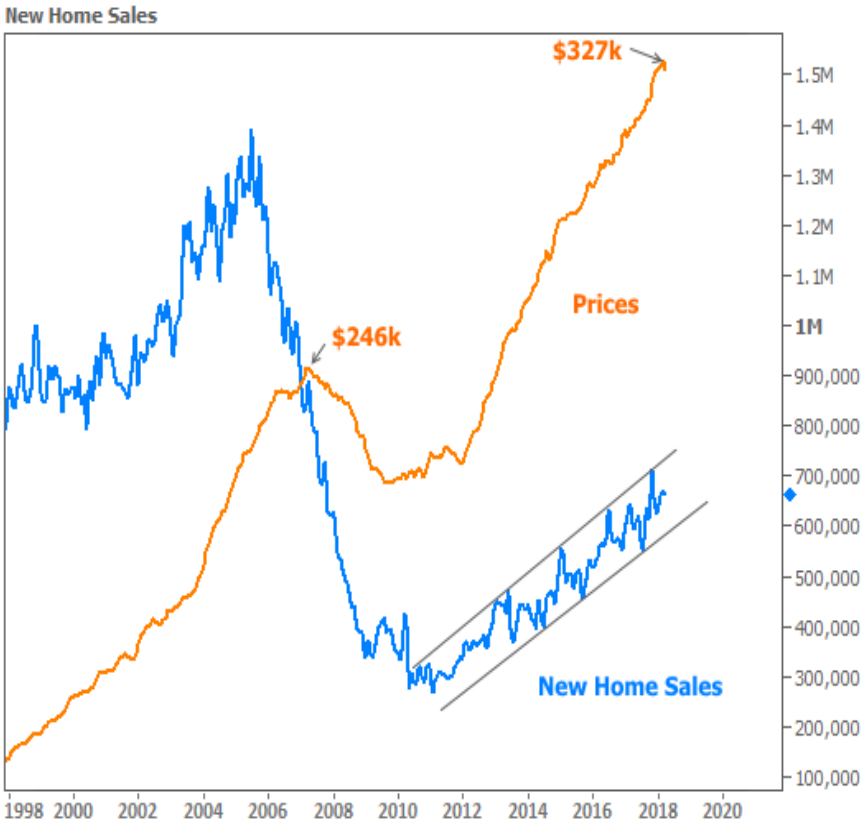
Housing-Related Data

This week's home sales data was less than stellar. News headlines were understandably gloomy, but they certainly don't capture the bigger picture, nor do they convey the subtleties that underlie the top-line sales figures. For instance, it's true that New Home Sales fell 1.5%, but **do you really care** if they continue to operate in the linear trend seen in the following chart?

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans

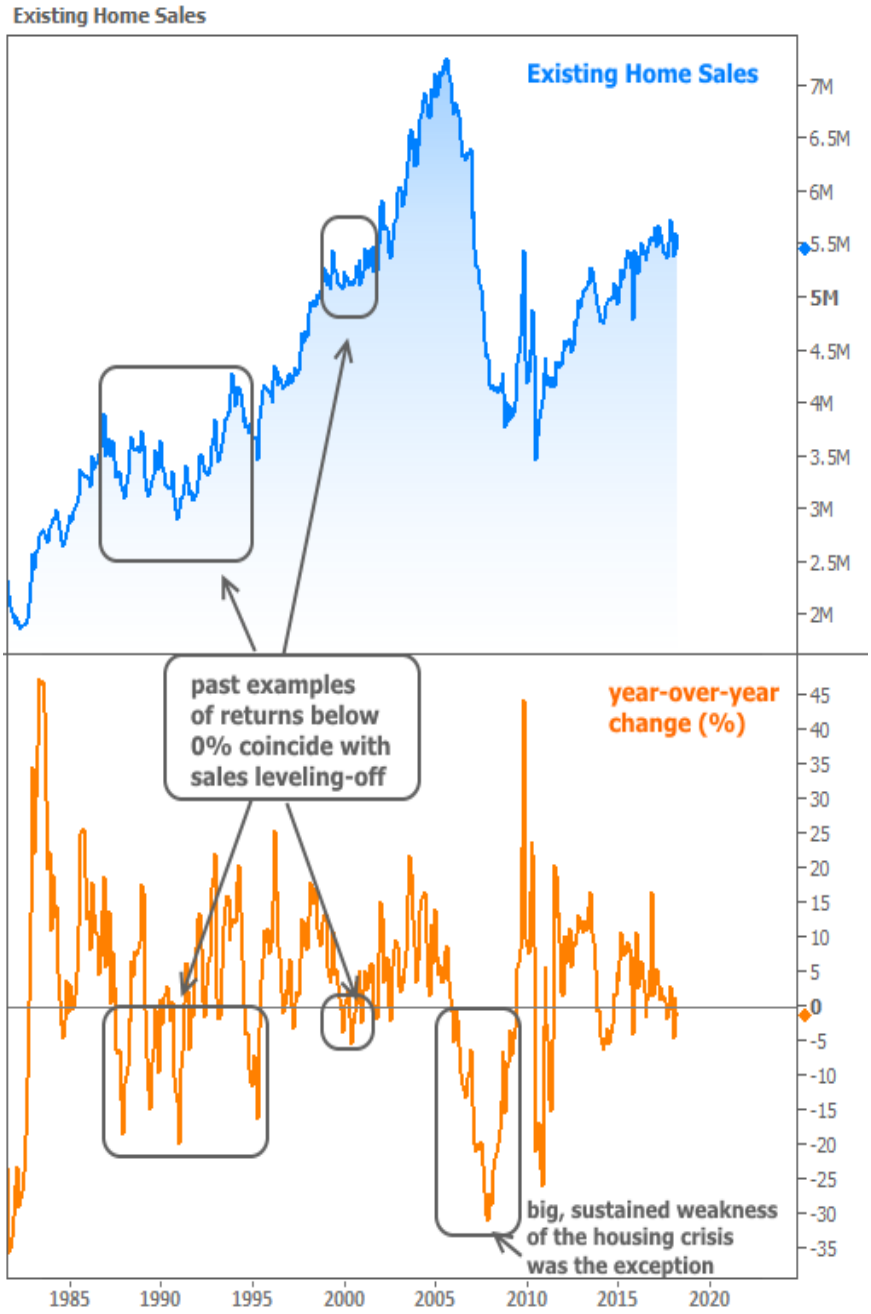


Existing Home Sales were **more vulnerable** to criticism, with a 2.5% decline in April and a 1.4% decline vs April 2017. Whether or not that's a bad thing is open to debate. History shows numerous examples of year-over-year declines. That's only coincided with a major downturn in sales **one time** in more than 40 years.

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans



Subscribe to my newsletter online at: http://housingne.ws/mvloans

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Wednesday, May 23				
7:00AM	w/e Mortgage Refinance Index	1018.1		1057.1
7:00AM	w/e MBA Purchase Index	247.4		252.4
10:00AM	Apr New home sales chg mm (%)	-1.5	-2.0	4.0
10:00AM	Apr New home sales-units mm (ml)	0.662	0.679	0.694

Event Importance:

No Stars = Insignificant
☆ Low
★ Moderate
★★ Important
★★ Very Important

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans

Date	Event	Actual	Forecast	Prior
1:00PM	5-Yr Note Auction (bl)	36		
2:00PM	FOMC Minutes			
Thursday, May 24				
8:30AM	w/e Jobless Claims (k)	234	225	222
9:00AM	Mar Monthly Home Price mm (%)	0.1		0.6
9:00AM	Mar Monthly Home Price yy (%)	6.7		7.2
10:00AM	Apr Existing home sales (ml)	5.46	5.57	5.60
10:00AM	Apr Exist. home sales % chg (%)	-2.5	-0.2	1.1
1:00PM	7-Yr Note Auction (bl)	30		
Friday, May 25				
8:30AM	Apr Durable goods (%)	-1.7	-1.4	2.6
8:30AM	Apr Nondefense ex-air (%)	1.0	0.7	-0.4
10:00AM	May U Mich Sentiment Final (ip)	98.0	98.8	98.8
Monday, May 28				
12:00AM	Memorial Day			
Tuesday, May 29				
10:00AM	May Consumer confidence	128.0	128.0	128.7
Wednesday, May 30				
8:15AM	May ADP National Employment (k)	178	190	204
8:30AM	Q1 GDP Prelim (%)	2.2	2.3	2.3
Thursday, May 31				
8:30AM	Apr Personal Income (%)	0.3	0.3	0.3
8:30AM	Apr Consumer Spending (Consumption) (%)	0.6	0.400	0.4
8:30AM	Apr Core PCE (y/y) (%)	1.8	1.800	1.9
8:30AM	w/e Jobless Claims (k)	221	225	234
9:45AM	May Chicago PMI	62.7	58.0	57.6
10:00AM	Apr Pending Sales Index	106.4		107.6
Friday, Jun 01				
8:30AM	May Non-farm payrolls (k)	223	188	164
8:30AM	May Unemployment rate mm (%)	3.8	3.9	3.9
10:00AM	May ISM Manufacturing PMI	58.7	58.1	57.3
10:00AM	May ISM Mfg Prices Paid	79.5	78.2	79.3
10:00AM	Apr Construction spending (%)	1.8	0.8	-1.7

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans

Who is Mid Valley Financial?

Since 1985, Mid Valley Financial has been a trusted partner for complex real estate financing solutions. We specialize in handling unique and challenging loan scenarios, including those with non-traditional income or asset documentation. Our expertise in hard money and private money lending offers quick funding and flexible terms for real estate investors, business owners, and agricultural operators. Whether you need funds for purchasing, renovating, or refinancing properties, our experienced team is here to help.

Beyond hard money lending, we offer a comprehensive suite of competitively priced home loan options, including conventional, FHA, VA, and jumbo loans. So whether you are a first-time homebuyer, looking to secure the family estate or vacation property, or have unique financial circumstances, our experienced team can help you find the best solution.

Our commitment to exceptional customer service and innovative financing solutions has made us one of the leading direct lenders and mortgage brokers in the California real estate market. With a proven track record of success and a focus on building long-term relationships, we're here to help you achieve your financial goals.

Mid Valley Financial MVF

EQUAL HOUSING LENDER

EQUAL HOUSING OPPORTUNITY

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingne.ws/mvloans