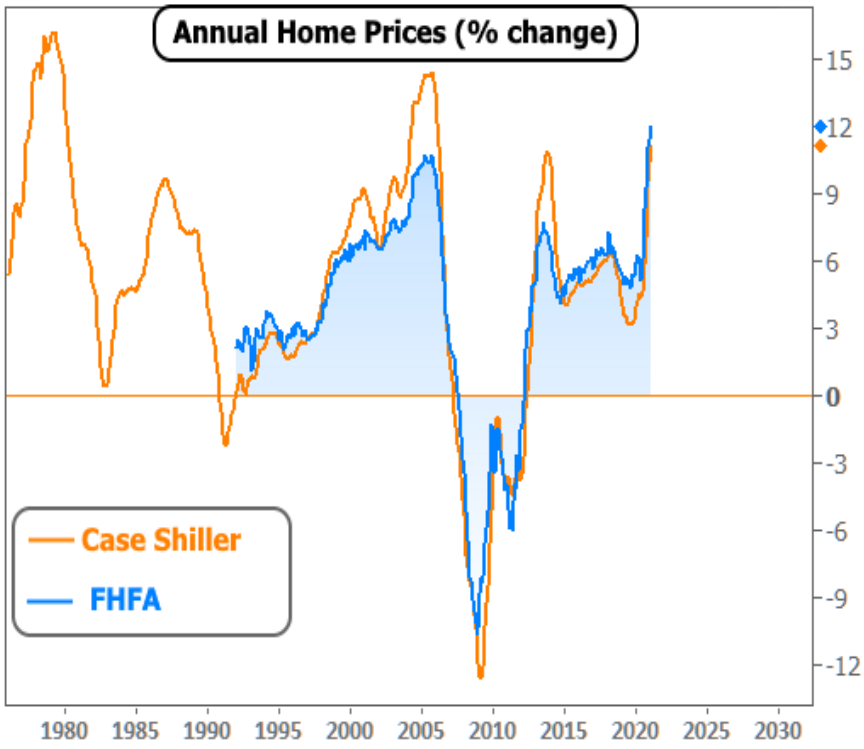
Mid Valley Financial
Mortgage Banker, Since 1985
Broker CA DRE#01206057 | NMLS ID#219418
7644 N. Palm Avenue Fresno, CA 93711

Office: (559) 432-8221
Mobile: (559) 432-8221
info@mvloans.com
View My Website

# Who's Lying About The Housing Market?

The housing market is heating **and** cooling at the same time, depending on the data in question. Who's telling the truth? Actually, maybe everyone...

According to home price appreciation, the market is **on fire**. FHFA and Case Shiller (2 of the main home price reports we follow--both updated this week) differ slightly in their historical measurements, but both are in agreement that year-over-year price gains are as high as they've been in a LONG time (record highs for FHFA).




Things are moving in the **other** direction for home sales. This week's Pending Home Sales release showed a decline of more than 10% (back to pre-pandemic levels).

## 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.

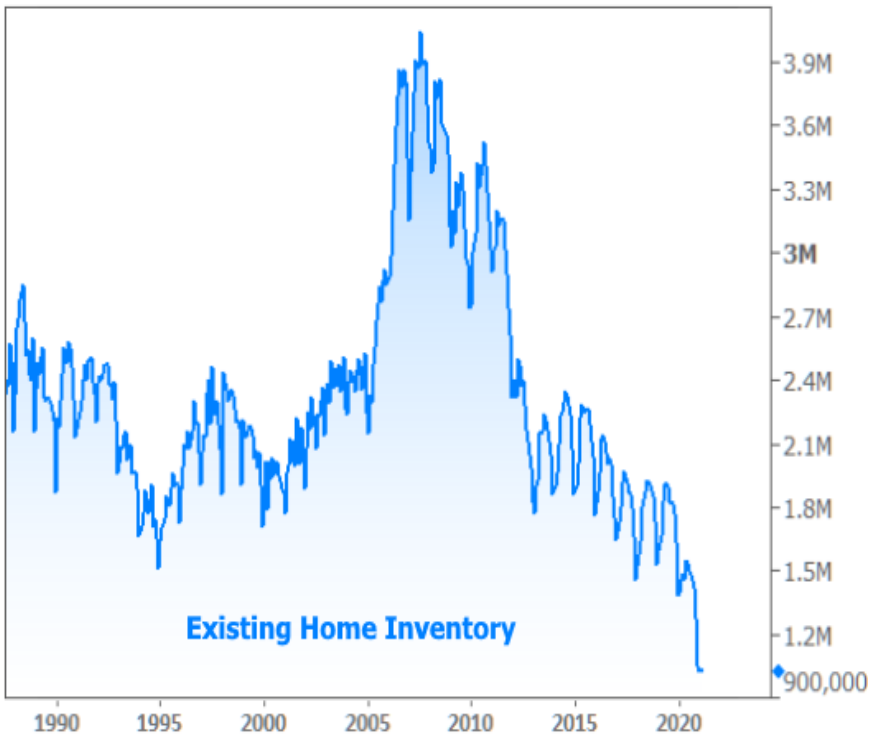
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial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

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




So **who's lying?** Is the housing market hot due to surging prices or is it cooling off based on declining sales?

The two can actually coexist due to **INVENTORY**, or lack thereof. In addition to the obvious limitations it places on home sales, tight inventory can also force prices up as more buyers compete for fewer properties. It's never been tighter than it is right now.




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

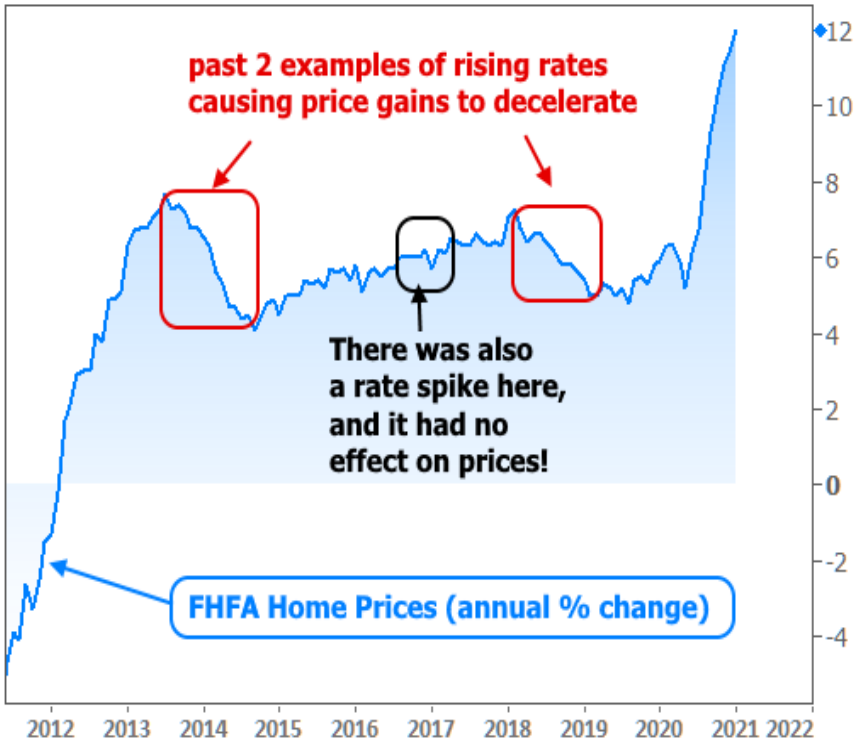
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial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

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

The inventory situation may mean that prices remain more resilient in the current housing cycle despite the recent surge in interest rates (something we can't stop talking about). Even then, past examples of rate spikes have only had moderate impacts on housing. Using the same home sales data from above, let's highlight previous rate spikes so we can see the impact...




... and prices (this is the same FHFA home price data, but the chart is zoomed in to show more granular detail).




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

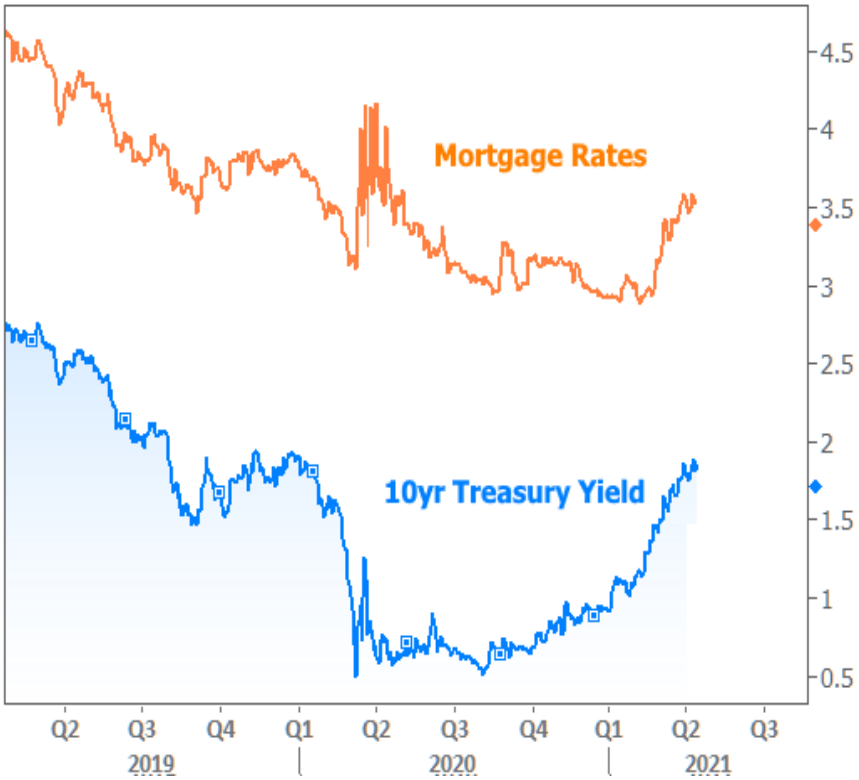
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial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

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

There was a big rate spike at the end of 2016 that had **no discernible effect** on prices. This is notable because that rate spike was fueled by economic optimism as opposed to 2013's rate spike which happened after the Fed said they would begin decreasing their rate-friendly bond buying program. 2018 was somewhat similar as the Fed was continuing to tighten monetary policy and raise short term interest rates.

A case could be made that the current rate spike shares some **similarities with 2016**. The path of 10yr Treasury yields (a benchmark for longer term rates like mortgages) has largely traced pandemic progress and economic recovery hopes. Yields (aka rates) began rising late last summer as vaccine trials showed promising results and economic data began to improve.

**Rates spiked** more quickly in the new year as vaccine logistics ramped up and covid-relief legislation was passed. Fiscal spending hurts rates both due to both its positive implications for the economy (a stronger economy supports higher rates) and the implication of more US Treasury issuance (more Treasury supply = lower bond prices = higher bond yields = higher rates).




We've devoted many previous newsletters to discussing the **disconnect** between mortgage rates and Treasury yields. The connection is **largely re-established** and it once again makes sense to consider Treasury trends as the best early indication of potential shifts in momentum. With that in mind, the current zone of 1.6 to 1.75 in 10yr Treasury yields is important. There have been two solid bounces at or near 1.75, but not enough of a recovery to guarantee a momentum shift.

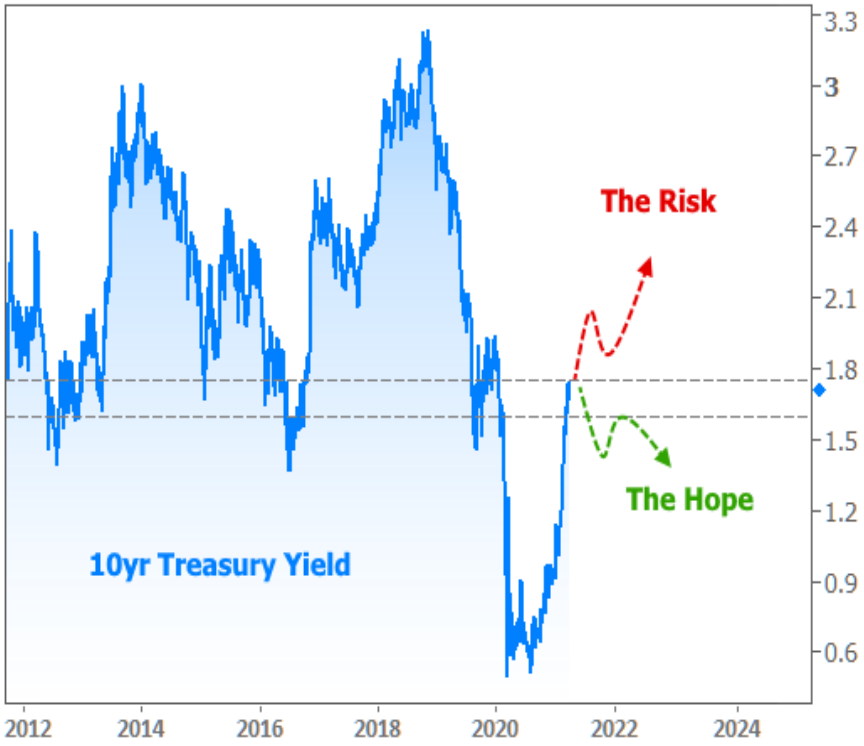
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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




If 1.75% is decisively broken and the unfriendly trend remains intact, it would contribute to the "**red**" scenario below. The **green** scenario is also a possibility, but it would take some unforeseen shock (something like a new covid variant that doesn't respond to vaccines or the rapid realization of a weaker post-covid economy).




**Is it realistic** for the red line to be all the way up around 2.4%? History suggests it's very much in the playbook. Each overlay is exactly the same size and covers exactly 1.9%.

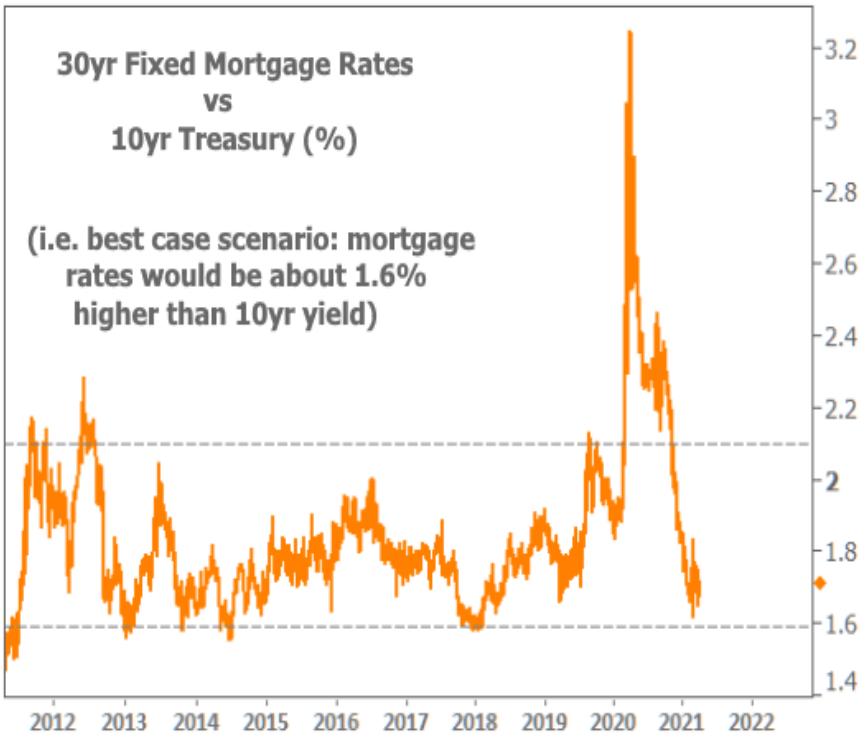
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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




Where would mortgage rates be if 10yr yields rose to 2.4%? A safe bet would be to assume **at least 4.00%** for a 30yr fixed based on the typical distance between the two over time.



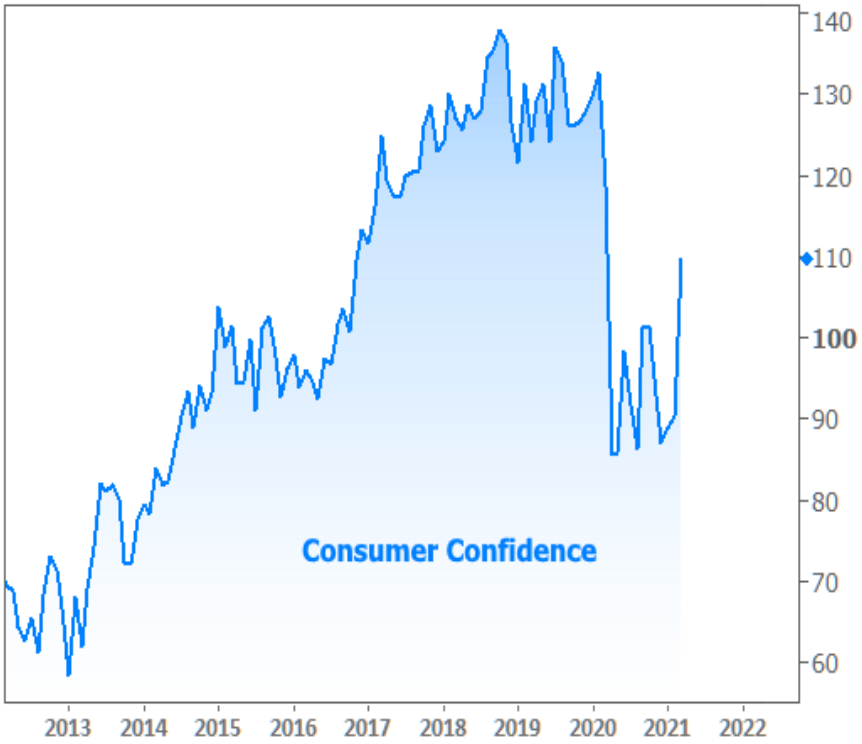

And what about the rapid realization of some negative economic shock? Things can always change in the future, but if this week's economic data is any indication, negative shocks would be a **tall order**. here are a few highlights:

Consumer Confidence surged **well above** its previous post-covid highs.

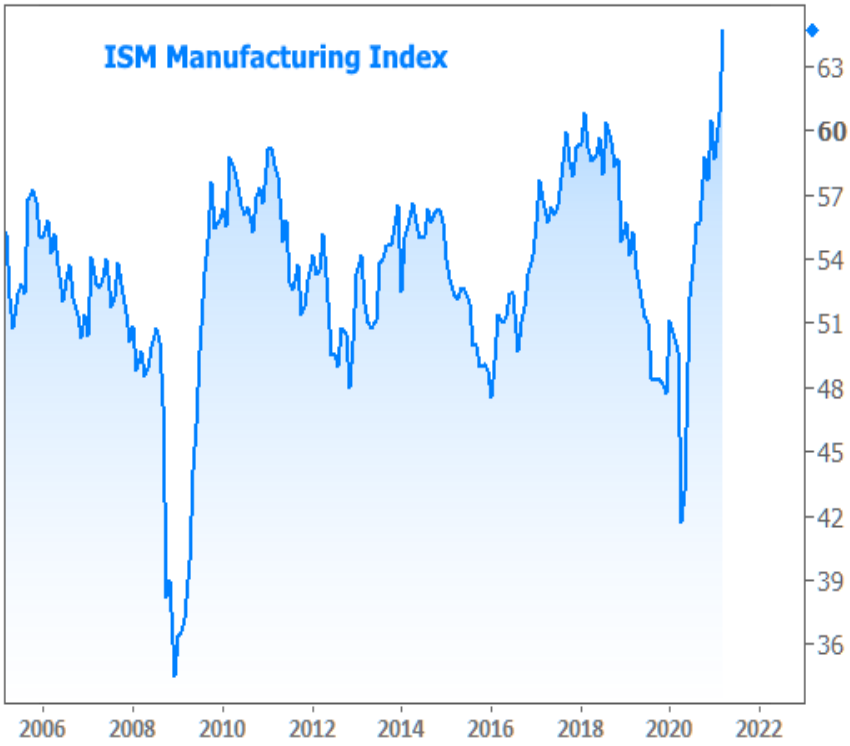
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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




The most widely-followed measurement of the manufacturing sector (ISM Purchasing Managers Index) hit its **best levels since 1983!**

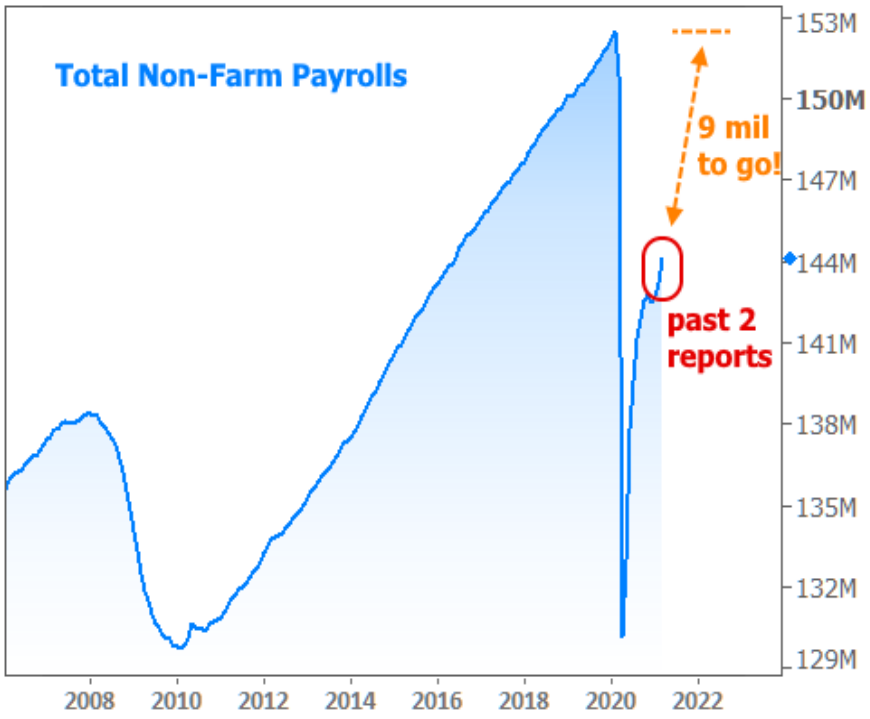



And the big jobs report was strong on several levels. Even though there are still 9 million jobs missing from pre-covid levels, the economy added close to a million last month.

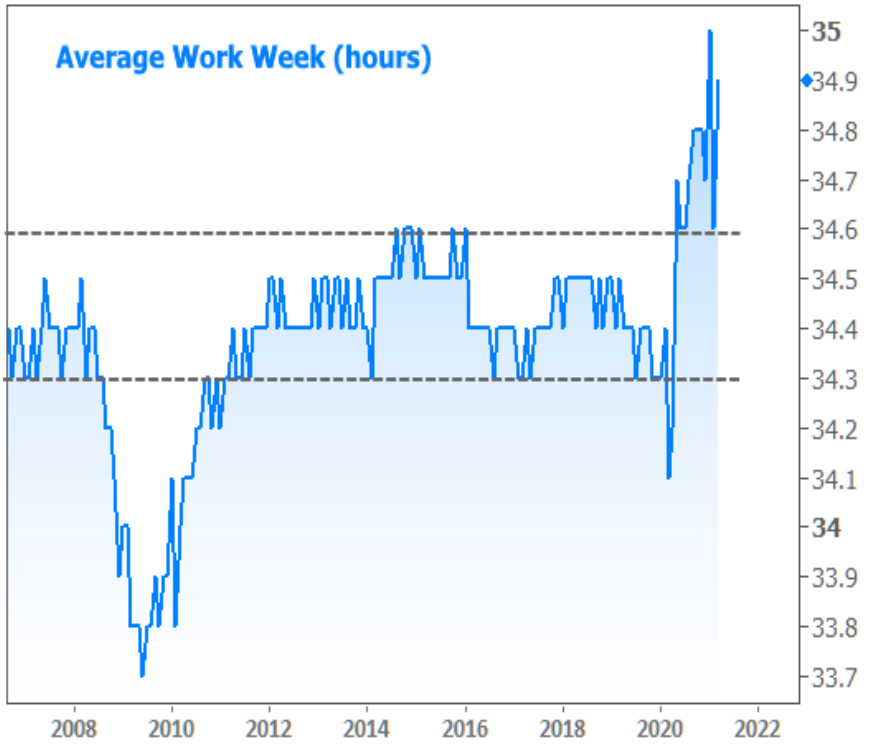
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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




The average work week increased to 34.9 hours. That might not sound like a lot to those working full time, but before covid, it never went higher than 34.6. Those .3 extra hours equate to more than a **million** additional jobs that could come back into the labor force right now.




**Bottom line**, it is a rising rate environment until further notice. If we don't see a negative turn of events for the economy, rates will eventually run out of steam for other reasons. But that could take time, and the overall rate spike could rival the worst past examples by the time it fully runs its course.

© 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

The upcoming week is light in terms of scheduled data and events, but it provides an important opportunity for rate watchers to observe the underlying momentum in the bond market. A strong defense of the 1.75% ceiling in 10yr yields would go a long way toward suggesting a period of **consolidation** for rates (as opposed to a relentless move higher).

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

## Recent Economic Data

| Date | Event | Actual | Forecast | Prior |
|---|---|---|---|---|
| **Tuesday, Mar 30** | | | | |
| 9:00AM | Jan CaseShiller 20 yy (%) | 11.1 | 11.0 | 10.1 |
| 10:00AM | Mar Consumer confidence | 109.7 | 96.9 | 91.3 |
| **Wednesday, Mar 31** | | | | |
| 7:00AM | w/e MBA Purchase Index | 297.3 | | 301.9 |
| 7:00AM | w/e MBA Refi Index | 3242.1 | | 3325.3 |
| 8:15AM | Mar ADP National Employment (k) | 517 | 550 | 117 |
| 9:45AM | Mar Chicago PMI | 66.3 | 60.7 | 59.5 |
| 10:00AM | Feb Pending Sales Index | 110.3 | | 122.8 |
| 10:00AM | Feb Pending Home Sales (%) | -10.6 | -2.9 | -2.8 |
| **Thursday, Apr 01** | | | | |
| 8:30AM | w/e Jobless Claims (k) | 719 | 680 | 684 |
| 10:00AM | Mar ISM Manufacturing PMI | 64.7 | 61.3 | 60.8 |
| 10:00AM | Feb Construction spending (%) | -0.8 | -1.0 | 1.7 |
| **Friday, Apr 02** | | | | |
| 8:30AM | Mar Non-farm payrolls (k) | 916 | 647 | 379 |
| 8:30AM | Mar Unemployment rate mm (%) | 6.0 | 6.0 | 6.2 |
| **Monday, Apr 05** | | | | |
| 10:00AM | Mar ISM N-Mfg Bus Act | 69.4 | 60.0 | 55.5 |
| 10:00AM | Mar ISM N-Mfg PMI | 63.7 | 59.0 | 55.3 |
| 10:00AM | Feb Factory orders mm (%) | -0.8 | -0.5 | 2.6 |
| **Wednesday, Apr 07** | | | | |
| 7:00AM | w/e MBA Purchase Index | 283.6 | | 297.3 |
| 7:00AM | w/e MBA Refi Index | 3068.8 | | 3242.1 |
| 8:30AM | Feb International trade mm $ (bl) | -71.1 | -70.5 | -68.2 |
| 3:00PM | Feb Consumer credit (bl) | +27.58 | 5.00 | -1.31 |
| **Friday, Apr 09** | | | | |
| 8:30AM | Mar Producer Prices (%) | 1.0 | 0.5 | 0.5 |
| 8:30AM | Mar Core Producer Prices YY (%) | 3.1 | 2.7 | 2.5 |
| 10:00AM | Feb Wholesale inventories mm (%) | 0.6 | 0.5 | 0.5 |

## 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

## 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