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

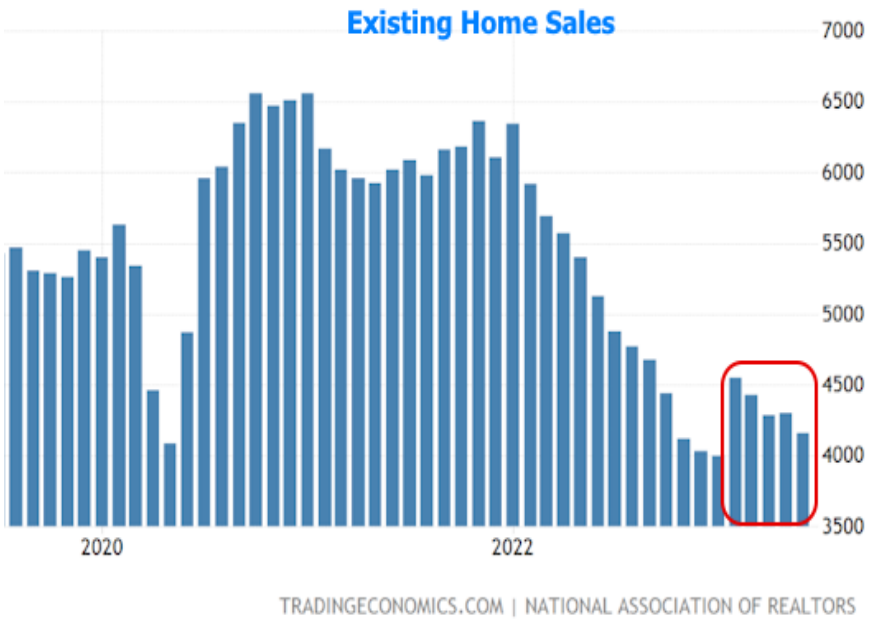
Office: (559) 432-8221
Mobile: (559) 432-8221
info@mvloans.com
View My Website

Slow Housing Market's Questionable Excuse (And a Much Better Alternative)

Inventory! That's been a buzzword for the housing market for more than a decade, but it's been especially prevalent in 2023 as the excuse for slower home sales. How good of an excuse is it?

Before digging into that question, let's take a look at the data that needs to have excuses made for it. This week brought the monthly release of Existing Home Sales from the National Association of Realtors (NAR).

Existing sales began the year with a pop, but have consistently been fading since then.



The chart above captures all-time highs and 12-year lows all in the space of few years (thanks Covid).

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

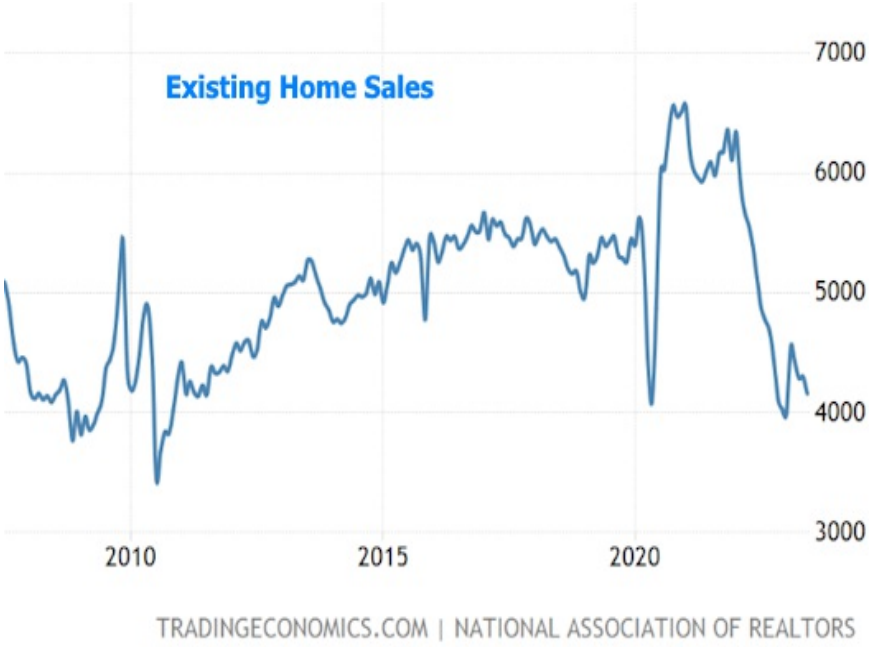
Recent Housing Data

		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%

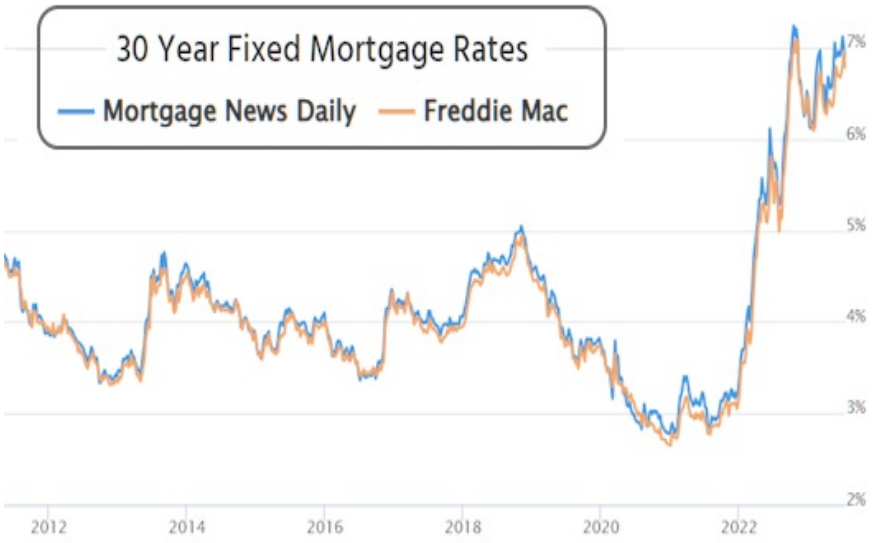
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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



When it comes to explaining the slump, the National Association of Realtors places INVENTORY at the top of the list. And while no one should disagree that more inventory would result in more home sales, perhaps we're overlooking the bigger issue: RATES.



In the NAR's defense, they're quite aware that rates are a problem. But the recent hyperfocus on inventory might be overdone. After all, wouldn't many more homeowners consider moving up if they weren't faced with the prospect of giving up their 3% mortgage in exchange for something closer to 7%?

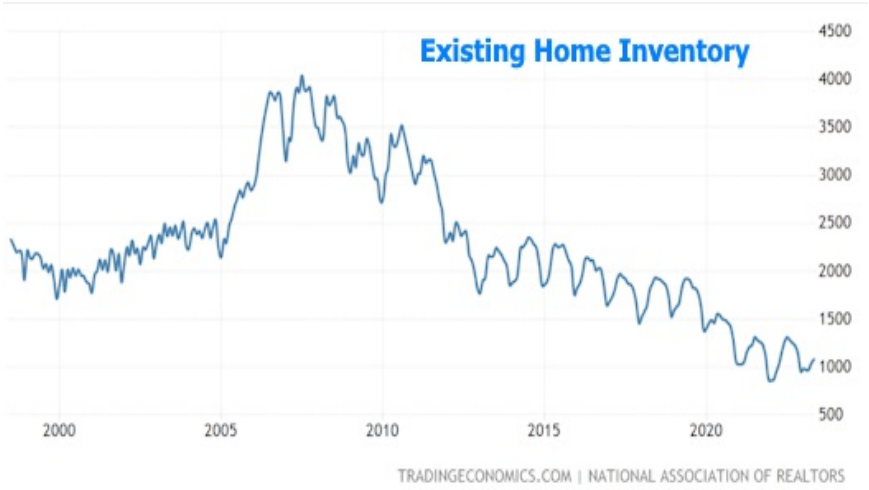
"There are simply not enough homes for sale," according to NAR Chief Economist Lawrence Yun. "The market can easily absorb a doubling of inventory."

To be sure, more inventory would be a good thing in almost every regard. A doubling of inventory would likely keep prices in check or push them slightly lower, but it might not conjure up as much buying demand as you might assume. Two separate stats in the Existing Home Sales data illustrate the point. The first is for inventory in terms of UNITS.

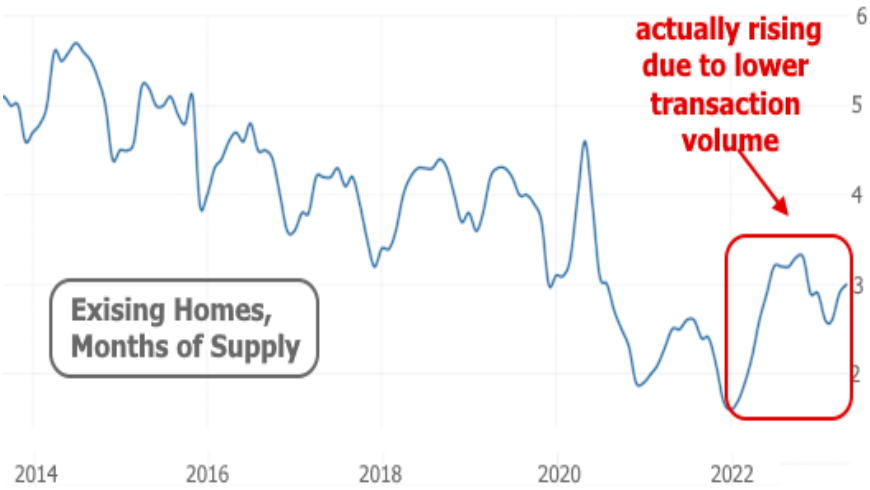
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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



This chart makes it seem as if inventory is in line with all time lows and not building as quickly as it normally does at this time of year. But the takeaway changes a bit when we look at inventory in terms of "months of supply."

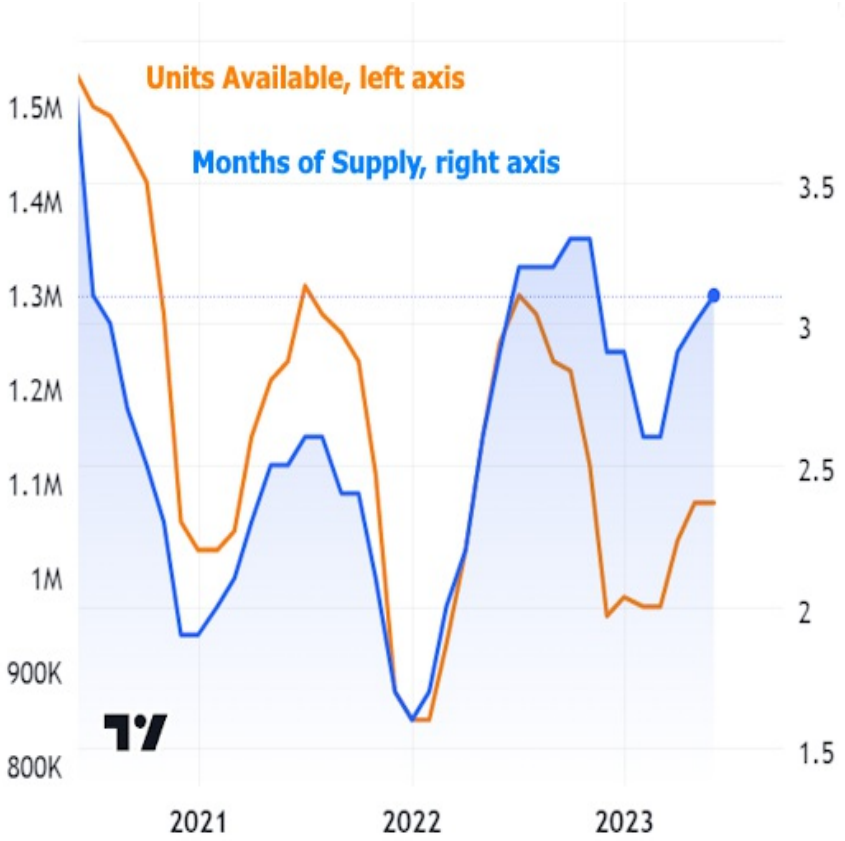


Since it's not incredibly easy to quickly glean the takeaway from the two charts above, here you go: in terms of units, inventory is nowhere near mid-2020 levels while "months of supply" is well above. Let's zoom in:

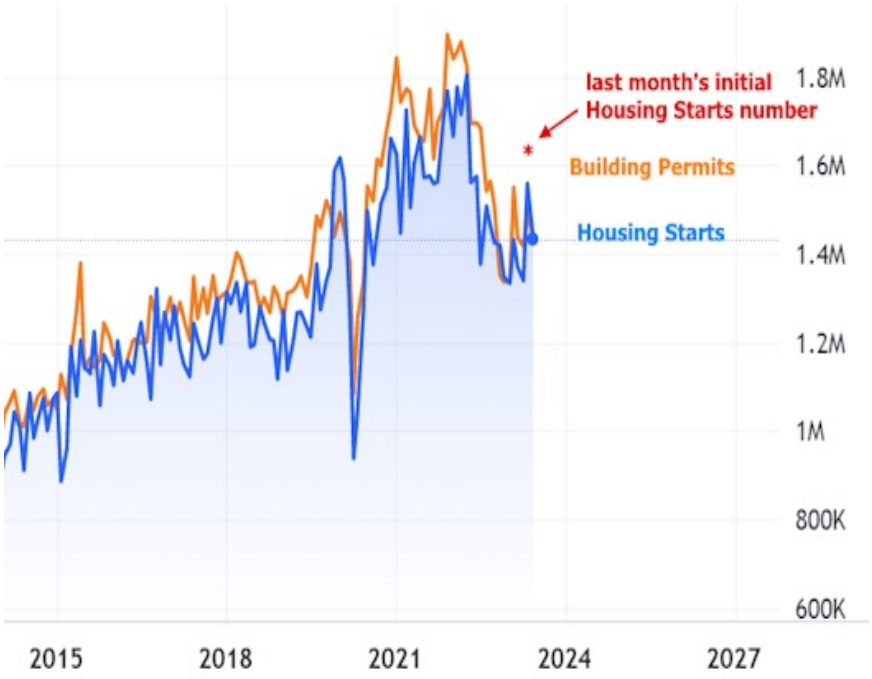
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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



In separate data released this week, we saw more evidence of moderation on the demand side of the home sales equation. Housing Starts (the ground-breaking phase of new construction) were revised much lower after last month's surge and the current month's data came in just below forecasts. Without a doubt, the construction side of the market is doing much better than the resale side relative to pre-covid levels, but it's also only about a quarter of the market.

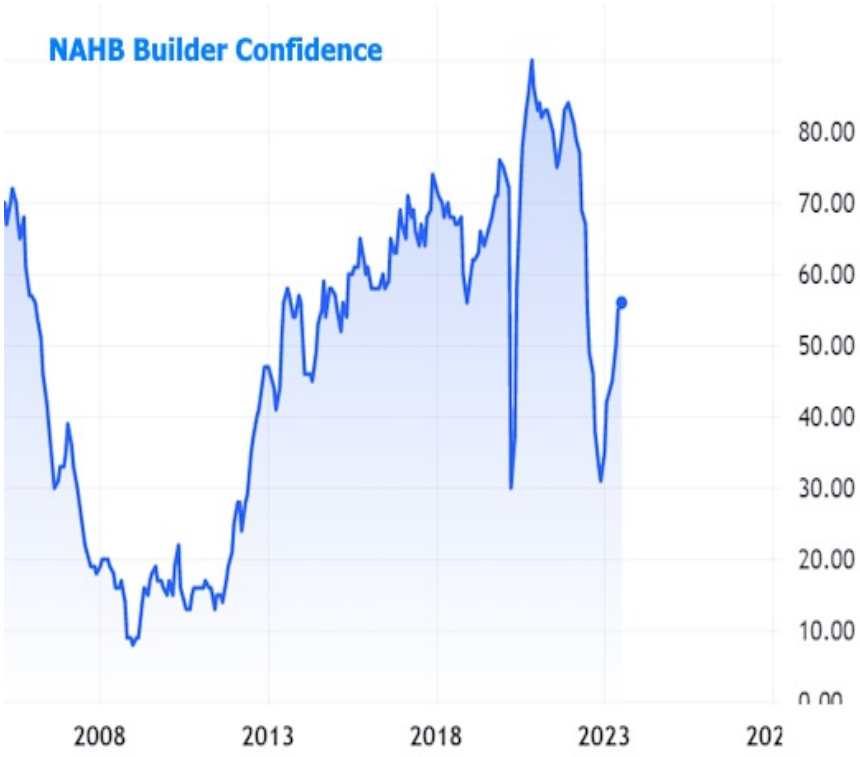


© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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

Nonetheless, homebuilders remain more optimistic than they were at the beginning of the year according to other data out this week from the National Association of Home Builders (NAHB).



If high rates are a root cause of the housing market issue (and no, we're not ignoring the fact that low rates served as a sort of root cause in 2020-2022, acting to pull forward a significant amount of home sales volume), what's the root cause of high rates and what will it take for things to change?

As we discussed last week, it's almost all about inflation. Last week's friendlier CPI data helped rates move sharply lower. But this week's labor market data pushed back in the other direction. The following chart of 10yr Treasury yields shows the relative movement in the rates market.

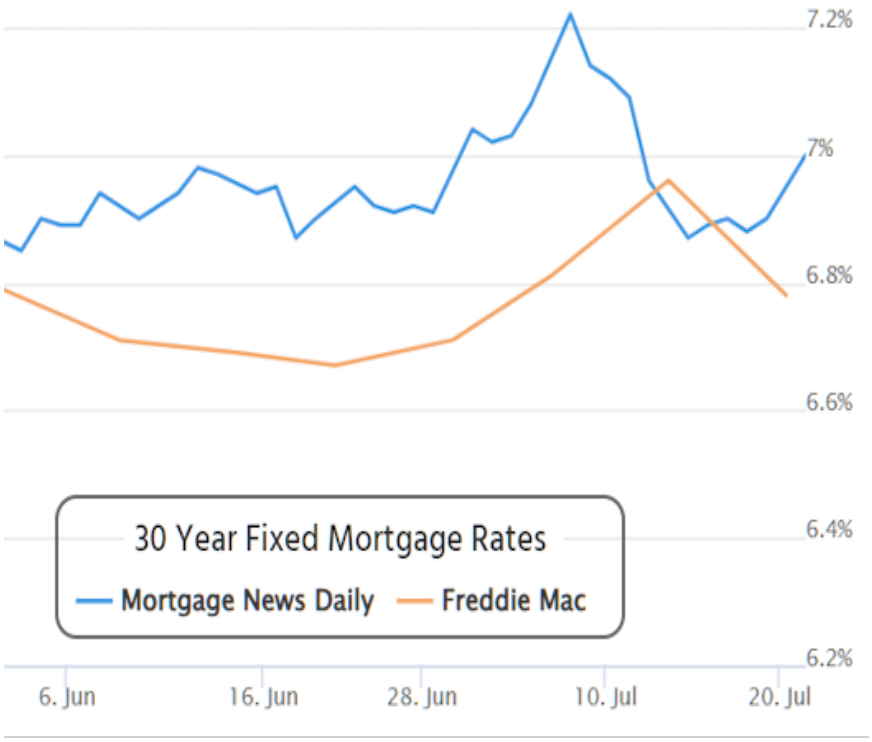
© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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 tend to follow a similar path to 10yr yields over time, so it's no surprise to see mortgages a bit higher versus last week with the average top tier 30yr fixed rate back around 7%. Freddie Mac's index covers the 5 weekdays leading up to Wednesday on any given week. During that time last week, rates were indeed much higher than the 5 days leading up to this past Wednesday.



© 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

In other words, Freddie's survey hasn't caught up to reality yet. It also runs a bit lower on average because it doesn't adjust for upfront costs whereas Mortgage News Daily does. That means a quote of 6.625% with 1% discount paid upfront would be recorded as 6.625% by Freddie, whereas the rate with no discount points would be closer to 7.125%.

Rates will receive their next big dose of information next week when the Fed announces its latest rate hike. The market already knows the hike is coming, so that part won't be a market mover. Rather, traders will tune in to hear what Powell has to say about how the outlook may be changing in light of recent progress on inflation. There's a chance the market comes away from next week's Fed hike with the sense that it was the last hike in a long time. Of course there's also a chance that Powell is concerned about market exuberance and thus doubles down on the higher rate narrative. There's no way to know which direction rates will go on Wednesday, only that the risk of volatility is bigger than normal.

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

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Monday, Jul 17				
8:30AM	Jul NY Fed Manufacturing	1.1	-4.3	6.6
Tuesday, Jul 18				
8:30AM	Jun Retail Sales (%)	0.2%	0.5%	0.5%
9:15AM	Jun Industrial Production (%)	-0.5%	0%	-0.5%
10:00AM	May Business Inventories (%)	0.2%	0.2%	0.1%
10:00AM	Jul NAHB housing market indx	56	56	55
Wednesday, Jul 19				
7:00AM	Jul/14 MBA Refi Index	446.4		416
7:00AM	Jul/14 MBA Purchase Index	163.2		165.3
8:30AM	Jun Housing starts number mm (ml)	1.434M	1.48M	1.559M
8:30AM	Jun Building permits: number (ml)	1.44M	1.49M	1.496M
8:30AM	Jun House starts mm: change (%)	-8%		15.7%
8:30AM	Jun Build permits: change mm (%)	-3.7%		5.6%
Thursday, Jul 20				
8:30AM	Jul/15 Jobless Claims (k)	228K	242K	237K
8:30AM	Jul Philly Fed Business Index	-13.5	-10	-13.7
10:00AM	Jun Existing home sales (ml)	4.16M	4.2M	4.3M
10:00AM	Jun Exist. home sales % chg (%)	-3.3%		0.2%
Monday, Jul 24				
9:45AM	Jul S&P Global Composite PMI	52		53.2
Tuesday, Jul 25				
9:00AM	May FHFA Home Price Index m/m (%)	0.7%	0.2%	0.7%
9:00AM	May Case Shiller Home Prices-20 y/y (%)	-1.7%	-2.2%	-1.7%
9:00AM	May FHFA Home Prices y/y (%)	2.8%	2.6%	3.1%
Wednesday, Jul 26				

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
7:00AM	Jul/21 MBA Purchase Index	159.2		163.2
7:00AM	Jul/21 MBA Refi Index	444.5		446.4
10:00AM	Jun New Home Sales (%) (%)	-2.5%		6.6%
10:00AM	Jun New Home Sales (ml)	0.697M	0.725M	0.715M
2:00PM	Fed Interest Rate Decision	5.5%	5.5%	5.25%
2:30PM	Fed Press Conference			
Thursday, Jul 27				
8:30AM	Jul/22 Jobless Claims (k)	221K	235K	228K
8:30AM	Jun Durable goods (%)	4.7%	1%	2%
8:30AM	Q2 GDP Advance (%)	2.4%	1.8%	2%
Friday, Jul 28				
8:30AM	Jun Core PCE Inflation (y/y) (%)	4.1%	4.2%	4.6%
8:30AM	Jun Core PCE (m/m) (%)	0.2%	0.2%	0.3%
8:30AM	Q2 Employment costs (%)			1.2%
10:00AM	Jul Consumer Sentiment (ip)			
10:00AM	Jul U Mich conditions	76.6	77.5	69

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