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said that he expects the current economic conditions caused by the pandemic to continue pushing inflation “well into next year.” These statements came out a week before the Consumer Price Index numbers came out showing inflation at three times the Fed’s target, so the Fed could change their stance at the next meeting set to take place December 14-15.



Despite the recent rise in mortgage rates, they continue to be within .5% of the all-time lows last touched in February of this year. Buying residential real estate or refinancing a residential home loan is still very attractive. Also, if you want to track mortgage rates on your own, the easiest metric to follow is the bond yield on the 10-year treasury bond. As of mid-November, when mortgage rates climbed by .25%, the 10-year treasury bond yield was over 1.6%. Once it gets below 1.4%, we will see mortgage rates come back down slightly. If the yield

your options are.

drops to 1.2% again, we may be back to the historically low levels from February of this year.

I continue handling a large volume of transactions, now for 22 consecutive months in this torrid run on interest rates, but nothing like 2020 and the first quarter of 2021. Feel free to reach out if you want to learn more about mortgage rates, how they work, and what

As always, your mortgage guy
Viral (Vic) Joshi
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Vic’s Mortgage Report

“Home of REAL Mortgage Advice”



My mission is to help buyers qualify for the best loan available for their circumstance. I spend a generous amount of time with each client to educate them about how the mortgage industry works, through free “Mortgage 101” consultations, so they can make good decisions and get the best loan possible. I’ve revamped my website to give clients the best resources to supplement my consultations.

When I’m not doing loans, I’m an avid scuba diver and certified Rescue Diver. Eventually I’d like to become a dive instructor, so I can share the joys of this ocean sport with others.

I give back to the Monterey Bay Aquarium, Divers Alert Network (DAN), and the National Outdoor Leadership School (NOLS).



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The Great Tapering

Hi Friends,

Interest rate volatility is back due to increased inflation and recent changes in the Federal Reserve’s economic stimulus plans that were put in place to help the economy during the pandemic. U.S. consumer prices hit 6.2% in October of this year compared with the same time in 2020 with increased costs in food, gas and housing leading to the highest inflation rate since 1990.

Those numbers, released on November 10th, caused mortgage interest rates to jump .25% from the previous week. 6.2% inflation is three times the Fed’s target of 2%. Until we see these numbers head back towards the Fed’s target of 2% inflation, the bond yields will likely continue to rise which will cause mortgage interest rates to continue to rise as well. Further impacting overall inflation are rising wages needed to keep up with the higher prices of consumer goods and services including increasing housing costs.

At the November 2-3 FOMC (Federal Open Market Committee) Meeting, the Fed announced it will start tapering its bond and mortgage-backed securities purchase program towards the end of November. The Fed had been purchasing \$120 Billion a month in treasury bonds and mortgage-backed securities from the markets during the pandemic to help suppress



consumer interest rates, especially mortgage interest rates. This is three times what they were doing to help the economy recover from the Great Recession of 2008. The tapering will reduce these purchases by \$15 Billion in November and an additional \$15 Billion in December of this year, after which time the Fed will reassess to see if they want to continue tapering further.

The Fed reiterated that they believe the 30-year high inflation numbers are transitory and temporary in nature. Fed Chairmain Jerome Powell

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“How do I clear up credit report inaccuracies?”
- **Here’s a Crash Course in Understanding Your Credit!**
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...And More Stuff Every Homeowner Should Know