



Mortgage Warehouse Funding Partner

## Scale Bank Beat: Housing & Lending in Action

Issue No. 1 | June | 2025

### Market Outlook

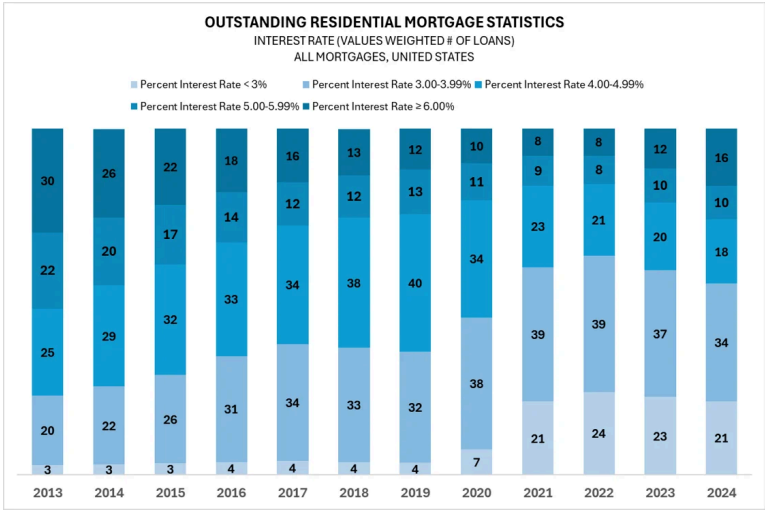
#### Mid-2025

As we enter the second half of the year, economic uncertainty persists, driven by inflation concerns and the impact of tariffs. May's inflation data came in lower than expected, as tariffs have yet to show a significant impact. The 90-day tariff pause ends next month, though an extension is possible. President Trump indicated an extension may not be necessary, citing ongoing trade negotiations. The Fed is holding off on rate cuts for now, as it evaluates broader economic impacts, with meetings scheduled for both July and September.

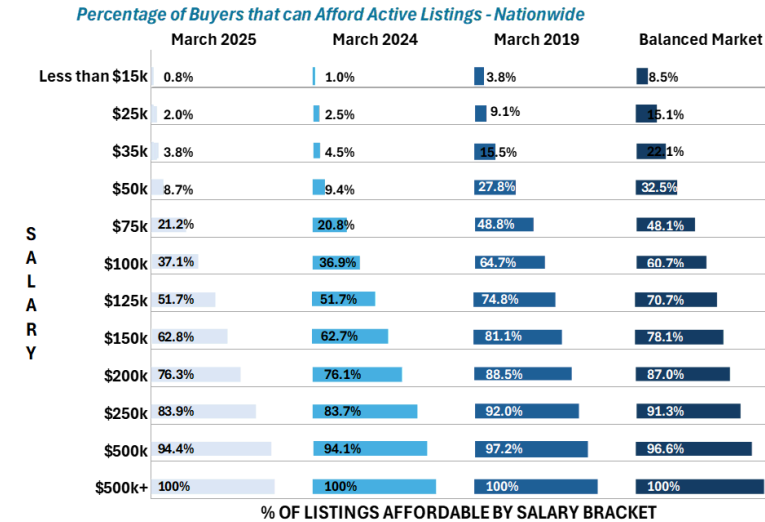
In housing, April saw the widest gap between sellers and buyers since 2013, with 1.9 million sellers and 1.5 million buyers, signaling a potential shift toward a buyer's market. However, affordability remains a challenge due to high mortgage rates and home prices.

### Mortgage Industry Insights

**The Impact of the 2020 Rate Drop on Today's Mortgage Market:** 25% of mortgages in 2024 carry rates above 5%, and current rates would need to fall nearly two percentage points to significantly boost refinancing. Until then, many homeowners remain locked into existing loans, limiting both refinance activity and housing mobility (via [FHFA.gov](https://www.fhfa.gov)).



**Inventory is up 20% year-over-year in 2025, but affordability remains a challenge.** Households earning \$75K can afford just 21.2% of listings. In 2019, the same group could afford 48.8% of listings. With median household income at \$80.6K (2023 Census), the gap between home prices and what many can afford continues to widen, pressuring the market to offer more accessible options (via [Housing Affordability and Supply](#)).



**In 2024, the U.S. faced a 3.8 million home supply gap**, despite new construction hitting a 20-year high. Affordability kept 1.6 million first-time buyers out of the market. At current rates, closing the gap will take 7.5 years (via [realtor.com](#)).



#### Advocacy Update: The Houses Passes Trigger Leads Law

The U.S. House has passed the Homebuyers Privacy Protection Act (H.R. 2808), which aims to ban the sale of mortgage trigger leads unless the consumer gives explicit consent or has an existing relationship with the lender. This bipartisan move is designed to protect homebuyers from unwanted solicitations and safeguard their personal information.

[Read More](#)

### On the Inside



#### About Scale Bank

With over 40 years as a trusted warehouse banking partner, [Scale Bank](#) delivers deep industry insight and dependable, same-day funding, shipping, and settlement to keep your business moving. We build lasting partnerships by understanding your unique needs.

[Let's Connect](#)

#### Client Success Story: Navigating Change with Purpose

We believe true client success starts with a deep understanding of each client's business model. Our strategy is for the long term, centered on creating tailored facilities that align with their needs today and adapt as those needs evolve.

Over the past five years, client profiles have shifted significantly, often more than once. We responded with speed and care, scaling up facility sizes overnight when needed, then thoughtfully recalibrating terms and structures as the post-COVID landscape evolved.

Our flexible, client-first approach has allowed us to build resilient, enduring partnerships. By staying closely connected and responsive, we continue to support them with thoughtful solutions and steady guidance.

#### Upcoming Events:

[Minnesota Mortgage Association's Annual Golf Event, July 22nd](#)  
[Lender's One Roundtable, Atlantic Beach, FL August 5th-6th](#)

[CA Western Secondary Conference Palos Verdes, CA August 11th-13th](#)

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