

## The Inflation Question

Regardless of whether the Federal Reserve continues to lower their benchmark interest rate, there is no doubt about the fact that interest rates would be lower if inflation were not a continuing concern. The markets have analyzed the questions surrounding the decrease in jobs growth and the effect this trend might have upon economic growth. Similarly, the questions surrounding the direction of inflation are just as confounding.

The economic changes brought about by the pandemic were unprecedented. We had never had an economy shut down overnight. Ancient history, but the concern was deflation as the price of many goods fell significantly. Turns out it was not so easy to restart the economy just as quickly and the resultant supply chain shortages contributed to hyper-inflation. Inflation was also fueled by record low interest rates and stimulus dollars. It peaked around 9.0% in mid-2022 and started down rather quickly. Within 12 months, it was closer to the Fed's goal of 2.0%.

Despite a brief period of about 24 months, the damage was done to the economy. Costs from housing to health care weighed on the lives of Americans, as well as those around the world as this inflation, like the pandemic, was world-wide. And the effects are not gone because -- even though inflation at close to 2.5% is more "manageable" -- prices are still much higher than they were in 2020. Thus, we have a period of time in which wage growth must catch up. And at 2.5%, it appears the progress we experienced during that 12-month decline has either slowed or stalled, depending upon your perspective. This is the question the Fed is grappling with -- what will it take to move the last mile down to 2.0% and is this last bit of progress going to be worth a concurrent risk to economic growth?...



## Population Growth Slows

According to the U.S. Census Bureau's latest estimates, the U.S. resident population grew by 1,781,060 to a total population of 341,784,857 in 2025. The population grew at a rate of 0.5%, a sharp decline from the near 1.0% growth in 2024. The growth rate was the lowest since 2021 when it grew at 0.2%. The vintage population estimates are released annually and represent the change in the U.S. population between July 1st of 2024 and 2025.

The primary source of population growth continued to be net international migration. For 2025, the level of net international migration was less than half of its level in 2024, falling from 2.7 million to 1.3 million. Natural change, represented as births minus deaths, was up marginally from 514,277 to 518,858 in 2025. The decline in net international migration and stable natural change led to lower population growth nationally between 2024 and 2025.

Each region in the U.S. experienced population growth over the period. The South led in population growth at 0.9%, followed by the Midwest at 0.4%. Meanwhile, the West grew 0.3%, while the Northeast grew the least at 0.2%. California remained the most populous state with a population of 39,355,309. The next most populous state was Texas at 31,709,821. To round out the top five states by total population, the preceding highest were Florida (23,462,518), New York (20,002,427), and Pennsylvania (13,059,432)...

Source: Eye on Housing, NAMB

## Selected Interest Rates

February 19, 2026

- 30 Year Mortgages — 6.01%
- 2025 High (Jan 16) — 7.04%
- 2025 Low (Dec 31) — 6.15%
- 15 Year Mortgages — 5.35%
- 10 Year Treasuries — 4.08%

Sources—Fed Reserve, Freddie Mac  
 Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

## Housing Confidence Rises

The National Association of Realtors (NAR) Realtors Confidence Index showed an increase in the Market Outlook for both buyers and sellers, compared to the previous month and year. Average days on the market listed grew to 39 days, yet sellers continued to receive an unchanged average of 2.2 offers. While first-time buyers have decreased to 29%, cash purchasers continue to hold a steady 28% share of the market. Some 31% of those surveyed anticipate a year-over-year (YoY) rise in buyer traffic over the next three months, up from 22% last month and 27% a year ago.

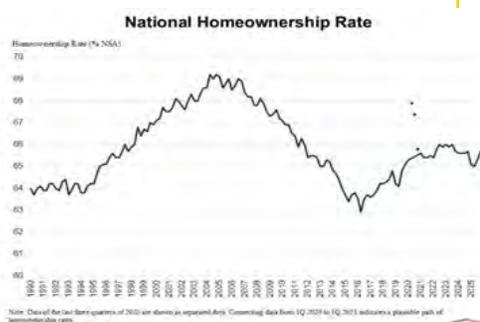
An estimated 28% of those surveyed anticipate a YoY rise in seller traffic over the next three months, up from 18% last month and 27% a year ago. In certain housing markets, supply remains constrained compared to demand, leading to 16% of homes being sold above the list price. However, this figure is unchanged from last year and has decreased from 18% one month ago. The share of terminated contracts over the past three months stood at 5%, which is comparable to the previous month's figure of 6% and last year's figure of 5%.

First-time buyers made up an estimated 29% of purchasers, a slight decrease from 30% last month and 31% a year ago. Among all buyers, 18% made purchases for non-primary residence use, which is flat compared to last month and an increase from 16% last year. The share of home purchases for vacation use rose to 7%, compared to 5% a month prior and 4% a year prior...

Source: MP Daily

## Did You Know...

The Housing for the 21st Century Act, a comprehensive piece of legislation that seeks to increase housing supply and affordability, was overwhelmingly approved by the U.S. House of Representatives by a vote of 390 to 9. The legislation must be reconciled with a Senate Bill before final enactment.



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