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STEVE COMBS

STRATEGIC HOUSING & MORTGAGE INTELLIGENCE

THE FED HELD. MORTGAGE RATES DIDN’T LISTEN.

Waiting for the Fed to solve affordability is not a complete housing strategy.

Mortgage rates answer to more than the Fed. This week: how affordability is created through planning, negotiation, and property selection.

Read online

steve-combs.com/weekly-market-brief

Steve Combs · NMLS #381933 · Cornerstone Home Lending · Equal Housing Lender

EXECUTIVE SUMMARY

The Fed Is Not the Mortgage Market

This week's most important signal is not simply whether the Federal Reserve changed its policy rate. It is the continuing disconnect between the way buyers often understand the Fed and the way mortgage pricing actually behaves.

THE ASSUMED SEQUENCE

1. The Fed pauses.
2. Mortgage rates fall.
3. Affordability improves.
4. Housing activity accelerates.

WHAT ACTUALLY PRICES A MORTGAGE

› Long-term Treasury yields
› Inflation expectations
› Mortgage-backed-securities demand
› Federal borrowing and debt issuance
› Investor perception of risk

The Fed matters, but mortgage pricing does not move through a single lever. That distinction changes the practical housing decision. A buyer waiting exclusively for the Fed to create affordability may be waiting for a result the Fed cannot guarantee.

That does not mean every buyer should move forward today. It means the decision should be built around conditions the buyer can actually evaluate: a sustainable payment, protected liquidity, the complete cost of the property, available concessions, the expected holding period, and whether the plan still works if a refinance opportunity arrives later than hoped.

> ***"The Fed influences the environment. It does not decide whether a specific home works for a specific household."***

The strongest housing strategies are not based on waiting for a national 'all clear.' They are based on knowing what must be true for the individual decision to remain financially sound.

SIGNAL VS. NOISE

The Fed Can Pause Without Delivering Mortgage Relief

NOISE What the headlines say	SIGNAL What the data shows
✕ **“The Fed held rates steady, so mortgage rates should fall.”** *Not necessarily. Mortgage rates reflect longer-term bond-market conditions, inflation expectations, government borrowing, and investor risk — not only the Fed’s overnight rate.*	✓ **Mortgage affordability is increasingly property-specific.** *The total payment and ownership structure matter more than the county median or a national rate headline.*
✕ **“Buyers should wait until the market becomes more affordable.”** *Waiting may be wise, but only when the buyer knows what improvement they are waiting for and how it would change the decision.*	✓ **Strategic patience is different from passive waiting.** *Strategic buyers establish the payment, cash, property, and market conditions that would justify action.*
✕ **“More listings mean buyers automatically have leverage.”** *More inventory can improve choice, but leverage remains property-specific. Condition, location, fees, competition, and seller motivation still determine the opportunity.*	✓ **Improved inventory creates selective opportunity.** *More available homes can create better comparison and negotiation — but not every listing is equally valuable.*
✕ **“The lower-priced property is automatically the more affordable one.”** *A lower purchase price can be offset by higher HOA dues, insurance, taxes, repairs, commuting costs, or near-term capital needs.*	✓ **A future refinance should remain optional upside.** *The purchase should be supportable under the permanent payment and current financial framework, even if refinancing takes longer than expected.*

“The market does not have to issue an all-clear signal. The individual decision has to become clear.”

MORTGAGE & RATE INTELLIGENCE

The Fed Moves One Rate. Mortgages Live in Another Market.

The Federal Reserve directly influences short-term interest rates. A 30-year mortgage is priced through a different part of the financial system. This is why a Fed pause or rate cut can coexist with mortgage rates that remain elevated — or even move higher.

30-YR. CONFORMING 6.716% ▲ +0.065 30-day: 6.463% – 6.716%	30-YR. JUMBO 6.686% ▼ -0.008 30-day: 6.469% – 6.796%	30-YR. FHA 6.482% ▲ +0.053 30-day: 6.284% – 6.488%
30-YR. VA 6.323% ▲ +0.070 30-day: 6.052% – 6.323%	30-YR. USDA 6.427% ▼ -0.012 30-day: 6.212% – 6.508%	15-YR. CONFORMING 6.017% ▲ +0.064 30-day: 5.713% – 6.115%

Optimal Blue OBMMI · **Last updated July 31, 2026.** National averages are market context only. They are not a rate quote, Loan Estimate, APR disclosure, approval, commitment to lend, or guarantee of terms. Different rate measures use different methodologies, borrower profiles, and observation periods.

FOUR QUESTIONS EVERY BUYER SHOULD STRESS-TEST

1. **Does the purchase work near current pricing?**
   The payment should be supportable without relying on an immediate market improvement.
2. **What improves if the mortgage rate declines by 0.25%?**
   Show the benefit, but do not treat it as guaranteed.
3. **What changes if the mortgage rate rises by 0.25%?**
   Identify qualification, payment, and cash-flow sensitivity before signing a contract.
4. **Is the purchase dependent on a future refinance?**
   A refinance may become valuable later. It should not be the only reason an otherwise weak purchase appears workable today.

Mortgage rates matter. But the client's complete plan determines whether the rate is manageable.

HOUSING MATH

Waiting Needs a Number

“Waiting for rates to fall” sounds like a strategy. Without a defined target, it is only a preference.

1 · WHAT PAYMENT WOULD JUSTIFY MOVING FORWARD?

Define the complete monthly housing obligation — not just principal and interest.

CONSIDER

- principal and interest
- property taxes
- homeowners insurance
- mortgage insurance
- HOA or condominium dues
- other recurring property costs

2 · WHAT MARKET CHANGE WOULD PRODUCE THAT PAYMENT?

Determine which specific change — or combination — the target actually requires.

CONSIDER

- a lower interest rate
- a lower purchase price
- a seller concession
- a different property
- more down payment
- lower taxes or insurance

3 · WHAT IS THE COST OF CONTINUING TO WAIT?

Do not assume waiting is either beneficial or harmful. Measure it.

CONSIDER

- rent paid during the waiting period
- future price movement
- available inventory
- changing concessions
- delayed life plans
- cash or flexibility preserved by waiting

4 · WHAT WOULD MAKE WAITING THE CORRECT DECISION?

Waiting may be entirely appropriate. These are the conditions that support it.

CONSIDER

- the current payment is outside the maximum
- required reserves would be depleted
- income or employment is uncertain
- the property compromises are unacceptable
- the time horizon does not support the transaction

THE THREE NUMBERS

The analysis begins with:

1. Preferred payment
2. Maximum payment
3. Cash to protect

A buyer should not wait for “better.” A buyer should know what better means.

SOUTHERN MARYLAND PULSE

Three Counties. Three Different Planning Environments.

St. Mary’s, Calvert, and Charles remain the permanent Southern Maryland core of this publication.

ST. MARY’S COUNTY

MEDIAN PRICE
$462,385
MEDIAN DAYS ON MARKET
37
ACTIVE LISTINGS
235
INVENTORY TREND
–4% MoM · –2% YoY
5-YEAR FORECAST
+23.81%
AFFORDABILITY INDEX
119
HOMES BEING BUILT
357 per year

INTERPRETATION

St. Mary’s continues to require property-specific planning because inventory can remain tighter than in neighboring markets. Buyers may have less broad negotiating leverage, making condition, concessions, location, and complete payment especially important.

CALVERT COUNTY

MEDIAN PRICE
$517,449
MEDIAN DAYS ON MARKET
35
ACTIVE LISTINGS
302
INVENTORY TREND
+4% MoM · +40% YoY
5-YEAR FORECAST
+22.00%
AFFORDABILITY INDEX
138
HOMES BEING BUILT
148 per year

INTERPRETATION

Calvert continues to combine strong relative affordability with substantially more inventory than one year ago. That creates better buyer choice and potentially more negotiating room, although individual property condition and pricing still determine whether the opportunity is real.

CHARLES COUNTY · THE BUILDER-COMPARISON MARKET

MEDIAN PRICE
$489,309
5-YEAR FORECAST
+21.47%
AFFORDABILITY INDEX
130
HOMES BEING BUILT
1,023 per year

INTERPRETATION

Charles remains the clearest Southern Maryland market for comparing resale with new construction. Its larger housing and construction pipeline can create more pathways for buyers to seek value through property selection, incentives, and financing structure.

Charles County metrics reflect the currently available verified report-card fields.

> ***“Southern Maryland does not offer one affordability story. Each county creates a different combination of price, inventory, construction, commute, and long-term ownership value.”***

MBS Highway report cards · All three counties current as of August 2, 2026.

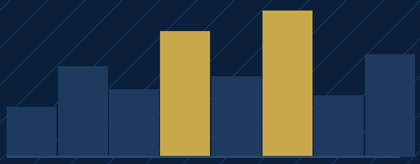
REGIONAL SPOTLIGHT · FAIRFAX COUNTY, VIRGINIA

Fairfax Proves Price Isn’t Affordability

THE FAIRFAX PARADOX

In Fairfax, the lower price can still cost more.

Median income is more than double the national average — and affordability still reads below 100.



More inventory does not create equal opportunity. Fairfax County is an ideal market for understanding why broad market statistics cannot determine whether an individual property is affordable.

MEDIAN PRICE	5-YEAR FORECAST	AFFORDABILITY INDEX	MEDIAN HOUSEHOLD INCOME
$882,930	**+23.5%**	**89**	**$177,090**
Highest in coverage area	*+4.7% avg. per year*	*Below the 100 benchmark*	*National avg: $80,630*

MBS Highway report card · Current as of August 2, 2026. Median days on market, active listings, and homes-being-built are not shown on the supplied Fairfax report and are therefore omitted rather than estimated.

WHY FAIRFAX THIS WEEK

Within the same county, buyers may compare a condominium with a lower price but substantial monthly fees; a townhome with a higher price but lower maintenance exposure; an older detached property with negotiating potential and renovation needs; or a newer home with fewer immediate repairs but a higher purchase premium. Those properties can produce materially different outcomes even when their purchase prices appear comparable.

BEFORE CALLING A FAIRFAX PROPERTY AFFORDABLE, COMPARE

1. Complete monthly payment
2. Association dues
3. Taxes and insurance
4. Condition and renovation exposure
5. Commute and transportation
6. Available seller concessions
7. Expected ownership horizon
8. Future resale flexibility

> ***“The county tells you where the property is. The complete cost tells you whether it works.”***

STEVE'S TAKE

Passive Waiting Is Not a Plan

I keep hearing the same question: "When will the Fed finally make mortgage rates come down?"

It is an understandable question — but it gives the Fed more control over the individual housing decision than it actually has.

The Fed matters. Inflation matters. Treasury yields matter. Mortgage-backed securities matter. But none of those things knows the buyer's preferred payment, maximum payment, available cash, family timeline, commute, or the specific property being considered.

That is why I think the better question is no longer, "When will rates fall?" It is: "What would have to become true for this decision to make sense for me?"

For one buyer, the answer may be a lower rate. For another, it may be a seller-paid buydown, a different property, lower association dues, more reserves after closing, or simply more confidence in the expected holding period.

Sometimes the correct answer is still to wait. But waiting becomes a strategy only when the buyer knows what they are waiting for, how it will be measured, and what would justify acting.

The market may not provide a perfect signal. The plan can still provide clarity.

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CONTINUE YOUR PLANNING

Your next housing decision should be built around your numbers, your property, and your plan.

Build Your Homeownership Strategy

Homebuyer's Edge helps compare payment, cash, property costs, incentives, and long-term ownership outcomes before a buyer writes an offer.

steve-combs.com/buy/

Know Your Payment First

Use the Target Payment Calculator to begin with the complete monthly payment that fits your life.

steve-combs.com/target-payment-calculator/

Read the Weekly Market Brief

Read the current issue, explore the archive, and subscribe.

steve-combs.com/weekly-market-brief/

Talk It Through

Schedule a Strategy Conversation when you are ready to define what would make moving forward — or continuing to wait — the right decision.

meetstevecombs.com

ADDITIONAL RESOURCES

AskSteve247 · asksteve247.com
Home Search · steve-combs.com/mortgage-tools/
Mortgage Calculators · steve-combs.com/mortgage-calculators/
Apply Online · Secure application portal through steve-combs.com

Coming Next Week: Another edition of market interpretation, local intelligence, and practical housing strategy.

Ask Steve 24-7

Sources: Optimal Blue OBMMI (July 31, 2026) · MBS Highway county report cards (August 2, 2026) · Freddie Mac PMMS · Federal Reserve · U.S. Treasury · Fannie Mae Economic and Housing Outlook.

THE FED SETS POLICY.

YOUR PLAN SETS THE DECISION.

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