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WEEKLY MARKET BRIEF

THE FED MOVED 25 BASIS POINTS. MORTGAGE RATES DIDN'T MOVE WITH IT.

The policy rate rose. The 30-year mortgage index finished almost exactly where it began around the decision - because mortgage markets price expectations before the announcement.

STRATEGIC HOUSING & MORTGAGE INTELLIGENCE

Mortgage Markets | Housing Math | Southern Maryland and DMV Insight

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

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EXECUTIVE SUMMARY

The Announcement Was Not the Repricing

Policy moved 25 basis points. Mortgage pricing had already done its own work.

On September 16, the Federal Reserve raised its target range by 25 basis points to 3.75%-4.00%. The vote was unanimous. Yet the Optimal Blue 30-year conforming index was 7.014% on September 15 and 7.013% on September 17 - essentially unchanged across the decision.

FED TARGET CHANGE	OBMMI SEP. 15	OBMMI SEP. 17	TWO-DAY CHANGE
+25 bps	**7.014%**	**7.013%**	**-0.1 bp**
September 16	day before decision	day after decision	effectively unchanged

That does not mean mortgage rates were stable. The conforming index had already climbed from 6.744% on September 3 to 7.013% on September 17, a 26.9-basis-point two-week increase. The market repriced expectations before and around the meeting rather than waiting for the press release.

VERIFIED FACT

The Fed changed the overnight policy-rate target. Mortgage pricing finished almost unchanged from the day before the announcement to the day after it.

INTERPRETATION

Bond and mortgage markets had already absorbed inflation, policy and growth expectations. The meeting confirmed a path the market had been pricing.

DECISION IMPLICATION

Do not build a housing plan around an assumed one-for-one relationship between a Fed move and a mortgage-rate move.

The Fed's September projections also shifted higher: the median federal-funds-rate projection for year-end 2026 rose to 4.1% from 3.8% in June, while the 2027 median rose to 4.1% from 3.6%. Projections are not promises, but they describe a less rate-friendly policy path than the June forecast.

Markets price paths, not press conferences.

FOR BUYERS

Anchor the search to a complete monthly obligation and preserve a rate buffer. A payment plan should survive normal market movement.

FOR SELLERS

A Fed headline does not reset demand uniformly. Price, property condition and financing strategy still determine whether a listing converts.

FOR HOMEOWNERS

A refinance threshold should be defined before rates move. Compare total costs, monthly benefit and expected holding period.

Sources: Federal Reserve FOMC statement and Summary of Economic Projections, September 16, 2026; Optimal Blue OBMMI through September 17, 2026.

SIGNAL VS. NOISE

A Fed Hike Is an Event. Mortgage Pricing Is a Market.

A 25-basis-point policy move did not produce a matching mortgage-rate move.

NOISE | FED RAISED 25 BPS

The federal-funds rate is an overnight interbank policy rate. It is not a consumer mortgage rate.

SIGNAL | MORTGAGE PRICING HELD

OBMMI was 7.014% on September 15 and 7.013% on September 17.

NOISE | RATES SHOULD JUMP AFTER

A one-for-one reaction assumes the market waited for information that had been anticipated and debated for weeks.

SIGNAL | THE MOVE CAME EARLIER

The 30-year conforming index rose 26.9 basis points from September 3 through September 17.

NOISE | THE PRESSURE IS GONE

One calm two-day comparison does not erase the prior increase or guarantee the next move.

SIGNAL | THE PATH STAYED RESTRICTIVE

The Fed's median 2026 and 2027 policy-rate projections both moved higher than in June.

The mistake is not watching the Fed. The mistake is treating the Fed as the mortgage-rate table.

What belongs in a real mortgage-rate framework? Treasury yields, inflation expectations, economic growth, mortgage-backed-securities demand, lender capacity, risk premiums, loan product, credit profile and transaction structure. The Fed influences that system, but it does not replace it.

Sources: Federal Reserve, September 16, 2026; Optimal Blue OBMMI, September 3-17, 2026. Interpretation by Steve Combs.

MARKET INTELLIGENCE

Rates Rose Before the Vote - Then Held

Observation periods are shown separately. Competing methodologies are not averaged.

30-YR CONFORMING	15-YR CONFORMING	FHA 30-YR
7.013%	6.395%	6.781%
Optimal Blue | Sep. 17	Optimal Blue | Sep. 17	Optimal Blue | Sep. 17

VA 30-YR	USDA 30-YR	JUMBO 30-YR
6.694%	6.827%	7.124%
Optimal Blue | Sep. 17	Optimal Blue | Sep. 17	Optimal Blue | Sep. 17

SECONDARY BENCHMARKS | FREDDIE MAC PMMS | WEEK ENDING SEPTEMBER 17

30-YR 6.95% | 15-YR 6.26% | 10-YR TREASURY 4.94%

Optimal Blue measures actual rate locks processed through its platform. Freddie Mac's PMMS is a weekly benchmark based on mortgage applications submitted to Freddie Mac. The 10-year Treasury is a market yield. These measures answer different questions and should not be averaged into a synthetic rate.

ECONOMIC AND HOUSING READOUT

INFLATION | AUGUST

Headline CPI: +0.4% MoM; +3.4% YoY
Core CPI: +0.3% MoM; +2.4% YoY

Energy rose 2.1% in August. Inflation remained above the Fed's 2% objective.

LABOR | AUGUST

Payrolls: +162,000
Unemployment: 4.1%
Revisions: +55,000 combined for June and July

The data did not describe a collapsing labor market.

FED PROJECTIONS

2026 funds rate: 4.1% median
2027 funds rate: 4.1% median
2026 PCE: 3.7% median

Projections describe expectations, not commitments.

CLOSED-SALE MARKET | REDFIN | AUGUST

Median sale price: $398,596 (+2.2% YoY)
Homes sold: 291,769 (-0.45% YoY)
Closed-sale median DOM: 50 days
Sale-to-list ratio: 98.5%

LISTING MARKET | REALTOR.COM | AUGUST

Median list price: $424,500 (-1.3% YoY)
Active listings: 1,140,035 (+3.6% YoY)
Listing-market median DOM: 60 days
Listings with price cuts: 20.4%

Sources: Optimal Blue OBMMI; Freddie Mac PMMS; Federal Reserve H.15 and FOMC projections; BLS CPI and Employment Situation; Redfin; Realtor.com Economic Research.

HOUSING MATH

Two Weeks Removed $13,492 of Purchase Capacity

A payment-controlled plan exposes what a headline rate change actually costs.

$450,000 LOAN | 30-YEAR FIXED | PRINCIPAL & INTEREST ONLY

	SEPTEMBER 3	SEPTEMBER 10	SEPTEMBER 17
INDEX RATE	6.744%	6.880%	7.013%
MONTHLY P&I	$2,917	$2,958	$2,998
Source	Optimal Blue OBMMI	Optimal Blue OBMMI	Optimal Blue OBMMI

TWO-WEEK RATE MOVE
+26.9 bps
Sep. 3 to Sep. 17

PAYMENT INCREASE
+$81/mo
$972 annualized

SAME-PAYMENT LOAN
$437,857
at 7.013%

SAME PAYMENT. LOWER PURCHASE RANGE.

$486,508 purchase price

10% down | $437,857 loan

$13,492 below $500,000

Holding the original $2,917 principal-and-interest payment constant at 7.013% reduces the supportable loan amount by approximately $12,143. With 10% down, that translates to approximately $13,492 less purchase price.

CALCULATION ASSUMPTIONS

- 30-year fully amortizing mortgage
- $450,000 original loan amount
- No taxes, insurance, MI or HOA
- No points or closing costs
- Illustrative rate-index comparison
- Rounded to nearest whole dollar

A small rate move can become a five-figure planning decision when payment is the boundary.

Calculations independently verified using the standard fixed-rate amortization formula. Examples are illustrative and are not a rate quote or commitment to lend.

SOUTHERN MARYLAND PULSE

More Choice. Three Different Negotiating Environments.

Closed-sale and listing-market measures remain separate. Observation period: August 2026.

ST. MARY'S COUNTY

CLOSED-SALE MARKET | REDFIN

MEDIAN SALE PRICE
$434K +4.5% YoY

HOMES SOLD
121 +7.3% YoY

CLOSED-SALE MEDIAN DOM
42 days +3 days

LISTING MARKET | REALTOR.COM

ACTIVE LISTINGS
275 +14.6% YoY

MEDIAN LISTING PRICE
$459,950 -3.7% YoY

LISTING-MARKET MEDIAN DOM
36 days -2 days

READ

More active inventory coexisted with higher closed prices and more closings. More choice did not produce a countywide price retreat.

CALVERT COUNTY

CLOSED-SALE MARKET | REDFIN

MEDIAN SALE PRICE
$467K -0.6% YoY

HOMES SOLD
118 +4.5% YoY

CLOSED-SALE MEDIAN DOM
48 days +11 days

LISTING MARKET | REALTOR.COM

ACTIVE LISTINGS
324 +50.7% YoY

MEDIAN LISTING PRICE
$515,000 -6.8% YoY

LISTING-MARKET MEDIAN DOM
36 days -3 days

READ

Inventory expanded sharply and closed-sale DOM lengthened, yet the median closed price remained nearly unchanged.

CHARLES COUNTY

CLOSED-SALE MARKET | REDFIN

MEDIAN SALE PRICE
$434K -3.7% YoY

HOMES SOLD
215 +0.5% YoY

CLOSED-SALE MEDIAN DOM
52 days +3 days

LISTING MARKET | REALTOR.COM

ACTIVE LISTINGS
622 +7.4% YoY

MEDIAN LISTING PRICE
$477,590 -3.2% YoY

LISTING-MARKET MEDIAN DOM
45 days +7 days

READ

The broadest negotiating opportunity appears here, but leverage still depends on the property, price and competition.

PERIOD NOTE: August remains the newest complete county observation month. Repeating these figures from Issue 17 is intentional. Redfin closed-sale DOM and Realtor.com listing-market DOM are different measures and are not interchangeable.

Sources: Redfin county housing-market data, August 2026; Realtor.com Economic Research County Housing Inventory Core Metrics, August 2026.

REGIONAL SPOTLIGHT | SOUTHWEST WATERFRONT, WASHINGTON, D.C.

The Median Fell 26%. Comparable Value Did Not.

A headline decline can be real and still be a poor shortcut for property-level value.

MEDIAN SALE PRICE	PRICE PER SQ. FT.	CLOSED-SALE DOM	SALE-TO-LIST
$364,824	$366	106 days	96.3%
-26.0% YoY	-0.41% YoY	+28 days YoY	-0.38 pt YoY

Redfin's three-month period ending August reports a 26.0% decline in the median closed-sale price. Read alone, that number resembles a market collapse. But the median price per square foot declined only 0.41% over the same reported period.

WHAT THE HEADLINE SAYS

The typical closed-sale price was materially lower than one year earlier. That is a verified description of the median transaction in the reported period.

WHAT THE COMPARISON SUGGESTS

The much smaller change in price per square foot is strong evidence that the mix of properties sold changed. It does not support a claim that every comparable property lost 26% of value.

THE SOFTER MARKET SIGNAL IS REAL - EVEN IF THE MEDIAN OVERSTATES THE VALUE CHANGE

LONGER EXPOSURE

A 106-day closed-sale median, 28 days longer than a year earlier, indicates that buyers had more time and sellers faced more resistance.

NEGOTIATION

A 96.3% sale-to-list ratio means the average sale closed about 3.7% below final list price. Property-level outcomes still varied.

PRACTICAL READING

Buyers may have leverage on listings with long exposure or weak positioning. Sellers should price against the relevant property segment, not the neighborhood median alone.

The median is context. Comparable evidence is valuation.

Methodology: Redfin describes these neighborhood measures as covering the three months ending August 2026 and calculates them from MLS and/or public-record data. The sales-mix explanation is an evidence-based inference, not a measured decomposition supplied by Redfin.

Source: Redfin Southwest Waterfront Housing Market, three months ending August 2026.

STEVE'S TAKE

Do Not Let a Press Conference Become the Plan

The Fed matters. The mistake is assigning it authority it does not have.

The most important lesson this week is not that the Fed raised its policy rate. It is that the mortgage market had already moved - and then barely changed across the announcement itself.

Buyers, sellers and homeowners often wait for a meeting because it feels like a clean decision point. But the market is continuously absorbing inflation, employment, Treasury supply, investor demand, mortgage-backed-securities spreads and expectations about what may come next.

FOR A BUYER

Set the complete monthly obligation first. Carry a rate buffer. Know how much cash should remain after closing. If the plan only works at one hoped-for rate, it is not yet durable.

FOR A SELLER

Do not assume a Fed headline will create or destroy demand uniformly. The relevant questions are property condition, pricing, competing inventory and whether financing can improve the buyer's payment efficiently.

FOR A HOMEOWNER

Define the refinance threshold before the market reaches it: payment improvement, total transaction cost, break-even period and expected time in the loan.

A FORECAST MAY INFORM THE PLAN. IT SHOULD NOT BE REQUIRED FOR THE PLAN TO WORK.

Issue 11 established that the Fed is not the mortgage market. Issue 17 showed that mortgage rates can move before the meeting. Issue 18 completes the sequence: even when the Fed moved 25 basis points, the mortgage index was effectively unchanged across the decision.

The goal is not to predict the next move. The goal is to remain prepared for more than one outcome.

The stronger questions are: What payment remains comfortable? What opportunity is available in this specific property segment? What financing improvement would justify action? What liquidity should remain afterward? And does the decision still make sense if the expected rate move never arrives?

NMLS 381933

CONTINUE YOUR PLANNING

Turn Market Information Into a Personal Decision

Information becomes useful when it changes a responsible next step.

SCHEDULE A MORTGAGE PLANNING CONVERSATION

Discuss payment range, cash requirements, financing structure and the timing of your next move.

MeetSteveCombs.com

READ THE WEEKLY MARKET BRIEF

Access the current issue and prior editions.

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

ASK STEVE

Ask a mortgage or housing question at any time.

AskSteve247.com

BUILD YOUR HOMEBUYER STRATEGY

Prepare the payment, cash and financing framework before the right property appears.

steve-combs.com/buy/

START WITH A TARGET PAYMENT

Translate a comfortable monthly budget into a responsible planning range.

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

BEFORE YOU BUILD A PLAN AROUND A RATE HEADLINE, ASK:

1. Is this a Fed policy rate, Treasury yield, mortgage index or actual quote?
2. What complete monthly housing obligation remains comfortable?
3. How much liquidity should remain after closing?
4. What improvement would justify a refinance or rate strategy?
5. Does the plan work without requiring a forecast to be correct?

CLOSING

Build the Plan Before the Next Headline.

WEEKLY MARKET BRIEF | ISSUE 18

THE FED MOVED 25 BASIS POINTS.
MORTGAGE RATES DIDN'T MOVE WITH IT.

The policy rate changed. The mortgage index finished almost exactly where it began around the decision.

That is not a forecast about the next move. It is a reminder that a durable housing or mortgage strategy cannot depend on one meeting, one headline or one outcome.

DEFINE THE PAYMENT | **MEASURE THE TRADEOFF** | **PREPARE FOR OPTIONS**

Cornerstone HOME LENDING

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