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Cornerstone HOME LENDING

WEEKLY MARKET BRIEF

RATES ROSE. AFFORDABILITY MOVED INTO THE DEAL.

The payment changed faster than home prices could adjust. Buyers, sellers and builders are responding through concessions, incentives and financing structure.

STRATEGIC HOUSING & MORTGAGE INTELLIGENCE

Mortgage Markets | Housing Math | Southern Maryland and DMV Insight

READ ONLINE

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

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EXECUTIVE SUMMARY

The Rate Changed. The Deal Has to Adapt.

When payment capacity tightens, affordability becomes a transaction-design problem.

Mortgage News Daily's average top-tier 30-year fixed rate rose from 7.19% on September 17 to 7.43% on September 25. That 24-basis-point move added about $73 per month to principal and interest on a $450,000 loan.

MND SEP. 17	MND SEP. 25	EIGHT-DAY MOVE	$450K LOAN IMPACT
7.19%	7.43%	+24 bps	+$73/mo
top-tier quote index	top-tier quote index	not a forecast	P&I only

Home prices do not reprice at the speed of a lender rate sheet. The immediate response therefore moves into the deal: the buyer's price range, the seller's concession strategy, the builder's incentive package and the lender's financing structure.

VERIFIED FACT

MND's current retail quote index rose 24 basis points in eight days. A fixed payment consequently supports a smaller loan amount.

METHODOLOGY

MND measures standardized top-tier lender quotes. Optimal Blue measures actual locks; Freddie Mac measures a weekly application cohort. They are not averaged.

INTERPRETATION

The constraint is no longer just the asking price. The allocation of transaction dollars can determine whether payment and cash remain workable.

Builders are already behaving this way. In September, 66% used sales incentives, 38% cut prices, and the average reported price reduction was 6%. New-home sales still rose 6.4% in August, but remained 2.0% below a year earlier with 8.5 months of supply.

When payment is the constraint, financing becomes part of the property strategy.

FOR BUYERS

Set the payment boundary first. Then compare price, credits, points and cash preservation as one economic decision.

FOR SELLERS

Do not assume a price cut is the only affordability tool. Compare its payment effect with a compliant financing concession.

FOR AGENTS

Surface affordability structure before the listing or offer stalls. The useful concession is the one solving the actual constraint.

Sources: Mortgage News Daily, September 17 and 25, 2026; NAHB/Wells Fargo HMI, September 2026; Census/HUD New Residential Sales, August 2026.

SIGNAL VS. NOISE

Affordability Is Not Just a Buyer Problem

The market response is increasingly embedded in the transaction itself.

NOISE | RATES ARE A BUYER PROBLEM

That framing isolates the payment shock from the seller, builder and agent whose transaction depends on buyer capacity.

SIGNAL | THE DEAL ABSORBS PRESSURE

Price, concessions, points, closing costs and cash reserves can be allocated differently to address the binding constraint.

NOISE | MORE INVENTORY MEANS DISCOUNT

Additional choice does not prove that every seller has equal motivation or that a blunt price cut creates the best outcome.

SIGNAL | STRUCTURE CAN OUTPERFORM

A dollar directed at the buyer's payment or cash barrier may create more transaction value than the same dollar used only on price.

NOISE | NEW-HOME SALES SOLVED IT

August sales rose month over month, but remained below last year and estimates carry a wide margin of error.

SIGNAL | INCENTIVES REMAIN CENTRAL

Two-thirds of builders used incentives in September; 38% cut prices and the average reduction remained 6%.

The strongest concession is not the largest one. It is the one aimed at the actual constraint.

What must be compared? Monthly payment, cash to close, seller net, appraisal support, concession limits, loan eligibility, permanent-versus-temporary benefit and expected holding period. The answer is property- and borrower-specific; it cannot be reduced to 'cut the price' or 'buy the rate.'

Sources: Mortgage News Daily, September 25, 2026; NAHB/Wells Fargo HMI, September 2026; Census/HUD, August 2026. Interpretation by Steve Combs.

MARKET INTELLIGENCE

Three Rate Measures. Three Different Questions.

Current quotes, completed locks and weekly applications are labeled separately and never averaged.

30-YR FIXED	15-YR FIXED	FHA 30-YR
7.43%	7.10%	7.15%
MND quote index | Sep. 25	MND quote index | Sep. 25	MND quote index | Sep. 25

VA 30-YR	7/6 SOFR ARM	JUMBO 30-YR
7.17%	6.85%	7.55%
MND quote index | Sep. 25	MND quote index | Sep. 25	MND quote index | Sep. 25

SEPARATE BENCHMARKS | OBSERVATION PERIODS SHOWN

OB LOCK 7.225% (SEP. 25) | PMMS 7.03% (SEP. 24) | 10-YR 5.18% (SEP. 24)

MND reflects same-day standardized top-tier lender quotes and best matches the current rate-sheet conversation. Optimal Blue's 30-year conforming index reflects actual locks, including borrower choices involving points or credits. Freddie Mac's PMMS is a weekly application benchmark. The Treasury figure is a market yield.

ECONOMIC AND HOUSING READOUT

BUILDER RESPONSE | SEPTEMBER

Using incentives: 66%
Cutting prices: 38%
Average price cut: 6%

Incentive use reached its highest share since December.

NEW-HOME SALES | AUGUST

Annualized pace: 684,000
Month over month: +6.4%
Year over year: -2.0%

The monthly estimate's confidence interval is wide; direction should not be overread.

NEW-HOME SUPPLY | AUGUST

For-sale inventory: 483,000
Months of supply: 8.5
Median sale price: $393,700
Median price YoY: -5.8%

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: Mortgage News Daily; Optimal Blue OBMMI; Freddie Mac PMMS; Federal Reserve H.15; NAHB/Wells Fargo HMI; Census/HUD; Redfin; Realtor.com Economic Research.

HOUSING MATH

Eight Days Removed $11,748 of Purchase Capacity

A payment-controlled plan shows why the negotiation must solve more than price.

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

SEPTEMBER 17

INDEX RATE	MONTHLY P&I
7.19%	$3,052

MND benchmark

SEPTEMBER 25

INDEX RATE	MONTHLY P&I
7.43%	$3,125

MND benchmark

$10K PRICE CUT

INDEX RATE	MONTHLY P&I
7.43%	$3,062

$490K price | 10% down

EIGHT-DAY RATE MOVE

+24 bps

Sep. 17 to Sep. 25

PAYMENT INCREASE

+$73/mo

$881 annualized

SAME-PAYMENT LOAN

$439,427

at 7.43%

SAME PAYMENT. LOWER PURCHASE RANGE.

$488,252 purchase price

10% down | $439,427 loan

$11,748 below $500,000

Holding the original $3,052 principal-and-interest payment constant at 7.43% reduces the supportable loan by approximately $10,573. With 10% down, that is about $11,748 less purchase price. A $10,000 price cut lowers P&I; to about $3,062 - helpful, but still $11 above the original payment.

CALCULATION ASSUMPTIONS

- 30-year fully amortizing mortgage
- $500,000 price | 10% down
- No taxes, insurance, MI or HOA
- No points or closing costs
- MND rate-index comparison
- Rounded to nearest whole dollar

Price is one lever. The best structure depends on which constraint the transaction must solve.

Calculations independently verified using the standard fixed-rate amortization formula. MND values are benchmarks, not a rate quote. Points, credits and eligibility vary.

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

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

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

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

READ

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

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 18 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 | PRINCE GEORGE'S COUNTY, MARYLAND

More Listings. Longer Timelines. No Blanket Discount.

Supply expanded, but well-positioned homes still closed at full final asking price on average.

MEDIAN SALE PRICE	HOMES SOLD	CLOSED-SALE DOM	SALE-TO-LIST
$443,516	627	51 days	100.0%
-1.4% YoY	-5.7% YoY	+8 days YoY	+0.1 pt YoY

Realtor.com counted 2,101 active listings in August, up 16.0% year over year, while listing-market median time rose to 46 days. Redfin simultaneously reported fewer closings, a longer 51-day closed-sale median and a 100.0% sale-to-list ratio.

WHAT SOFTENED

More homes were available, sales volume declined 5.7%, and both listing-market and closed-sale timelines lengthened. Buyers gained time and alternatives.

WHAT HELD

The median sale price declined only 1.4%, while the average sale still closed at 100.0% of final list price. Additional supply did not create uniform seller weakness.

MORE CHOICE CHANGES THE NEGOTIATION - NOT EVERY PROPERTY'S VALUE

BUYER OPPORTUNITY

Longer exposure can create room to request help with payment or cash-to-close. The leverage must be confirmed at the property level.

SELLER STRATEGY

A blanket price cut may be inefficient when the buyer's actual barrier is monthly payment or available cash. Compare structures before conceding.

AGENT IMPLICATION

Inventory growth raises the cost of weak positioning. Price, condition, marketing and financing strategy must operate together.

More options create negotiating room. They do not create one universal negotiation.

Methodology: Redfin's county measures cover the three months ending August 2026 and reflect closed sales. Realtor.com's August measures describe active listings and listing-market time. The two DOM measures are not interchangeable.

Sources: Redfin Prince George's County Housing Market; Realtor.com Economic Research County Housing Inventory Core Metrics, August 2026.

STEVE'S TAKE

Stop Treating Financing as the Last Line of the Contract

In a payment-constrained market, financing belongs in the strategy from the beginning.

A higher rate does not simply reduce what a buyer can borrow. It changes which transaction dollars matter most. The same seller dollar can produce very different results depending on whether it reduces price, closing cash or the mortgage payment.

That does not mean every seller should pay points or every buyer should choose a buydown. It means the transaction should be diagnosed before the concession is prescribed. Maximum concession is not the objective; efficient allocation is.

FOR A BUYER

Define the complete payment and the cash you want to preserve. Then compare properties and offers using those boundaries - not rate alone.

FOR A SELLER

Before cutting price, quantify what that reduction changes for the buyer. Compare it with a compliant credit aimed at the actual barrier.

FOR AN AGENT

Bring the lender into the strategy early enough to model alternatives. The financing discussion should not begin after the parties are already stuck.

THE DEAL SHOULD SOLVE THE CONSTRAINT - NOT SIMPLY SPEND THE CONCESSION.

Issue 14 established that more inventory does not automatically mean more leverage. Issues 17 and 18 separated mortgage pricing from the Fed headline. Issue 19 connects those lessons: when rates compress payment capacity, usable leverage often appears through transaction structure rather than a countywide price collapse.

Interpret the market. Diagnose the transaction. Allocate the dollars deliberately.

The stronger questions are: What is the buyer's binding constraint? What does each concession dollar accomplish? What is the seller's net cost? Does the structure comply with program and appraisal requirements? And does the solution remain valuable beyond closing?

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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 CHOOSE A CONCESSION OR OFFER STRUCTURE, ASK:

1. What is the actual constraint: price, payment, cash or qualification?
2. What does each dollar change for the buyer and seller?
3. Are points or credits permitted and supported by live pricing?
4. How long will the benefit last, and what is the break-even?
5. Does the structure remain sound if rates do not improve?

CLOSING

The Price Is One Number. The Deal Is a System.

WEEKLY MARKET BRIEF | ISSUE 19

RATES ROSE.

AFFORDABILITY MOVED INTO THE DEAL.

The payment changed faster than home prices could adjust. The transaction must now carry more of the response.

That is not an argument for the largest concession. It is an argument for diagnosing the constraint and directing each dollar toward the result that matters.

DIAGNOSE THE CONSTRAINT | **COMPARE THE STRUCTURES** | **ALLOCATE DELIBERATELY**

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