



WEEKLY MARKET BRIEF | ISSUE 22

# RATES IMPROVED.

# DEMAND LAGS.

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Mortgage pricing improved sharply. Buyer activity still reflects the payment shock that came before it.



WEEK OF OCTOBER 19, 2026

Interpretation, not prediction. Observation periods are labeled separately from publication date.



EXECUTIVE SUMMARY

# Rates improved. Demand still carries the earlier shock.

A better rate can improve a transaction before it produces a visible recovery in buyer activity.

|                                                                                       |                                                                               |                                                                                                |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div>MND - OCT. 16</div> <div>7.37%</div> <div>Same-day top-tier retail context</div> | <div>OBMMI - OCT. 16</div> <div>7.276%</div> <div>Actual consumer locks</div> | <div>PMMS - WEEK ENDING OCT. 15</div> <div>7.40%</div> <div>Weekly purchase applications</div> |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|

THE CONSEQUENTIAL SIGNAL

Mortgage rates improved after October 7. The latest MBA application report covers the week ending October 9, before most of that improvement occurred. The data are not contradictory. They describe a market moving on different clocks.

## What changed

- 01

**Rates improved materially.**

MND's 30-year fixed index moved from 7.59% on October 7 to 7.37% on October 16.
- 02

**Application demand was still weakening.**

MBA purchase applications fell 4% during the week ending October 9.
- 03

**Listing supply kept building.**

September active listings increased 5.4% year over year while pending stock fell 4.1%.
- 04

**Local conditions remained uneven.**

September closed-sale performance diverged across St. Mary's, Calvert and Charles counties.

SIGNAL VS. NOISE

# A better rate is not an instant recovery.

The timing of the observation matters as much as the headline.

NOISE

"Rates fell. Buyers are back."

One improved week does not erase the payment damage accumulated before it.

SIGNAL

Rates moved first.  
Demand data follow later.

MBA's latest application window ended before most of the rate improvement occurred.

## Same payment. More purchase capacity.

\$500,000 purchase - 10% down - \$450,000 loan - 30-year fixed - principal and interest only

OCTOBER 7

7.59%

\$3,174 monthly P&I

OCTOBER 16

7.37%

\$3,107 monthly P&I

SAME PAYMENT

\$510,903

+\$10,903 purchase capacity

DECISION RULE

Use the improvement to rerun the transaction. Do not use it to declare that affordability has been repaired or that demand must rebound.

### What the improvement can do

Reduce payment pressure, restore some buying capacity and strengthen a property-specific negotiation.

### What it cannot prove

That rates have begun a lasting decline, that sidelined buyers will return immediately or that every seller now has less leverage.

MARKET INTELLIGENCE

# Three rate measures. Three observation windows.

The figures are not averaged because they answer different questions about the mortgage market.

| SOURCE       | OBSERVATION         | RATE   | WHAT IT MEASURES                        |
|--------------|---------------------|--------|-----------------------------------------|
| MND          | Oct. 16, daily      | 7.37%  | Same-day top-tier retail context        |
| Optimal Blue | Oct. 16, daily      | 7.276% | Actual locked loans in OBMMI            |
| Freddie Mac  | Week ending Oct. 15 | 7.40%  | Weekly conforming purchase applications |

METHODOLOGY DISCIPLINE

Use MND for current retail context, OBMMI for actual locks and PMMS for the weekly purchase-application benchmark. One metric equals one canonical source.

## The listing market was still adjusting.

|                                                                            |                                                                         |                                                                      |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------|
| <p>PRICE REDUCTIONS</p> <p>20.8%</p> <p>Share of listings - Sept. 2026</p> | <p>ACTIVE INVENTORY</p> <p>+5.4%</p> <p>Year over year - Sept. 2026</p> | <p>PENDING STOCK</p> <p>-4.1%</p> <p>Year over year - Sept. 2026</p> |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------|

## Inflation kept the rate environment unsettled.

September CPI increased 3.7% year over year. Core CPI rose 2.6%, while energy increased 20.4% and gasoline increased 34.2%. That does not determine the next mortgage-rate move, but it explains why one favorable week should not be mistaken for a settled trend.

HOUSING MATH

# The improvement restored part of the lost capacity.

\$500,000 purchase - 10% down - \$450,000 loan - 30-year fixed - principal and interest only

| OCTOBER 7                                     | OCTOBER 16                                    | SAME PAYMENT                                  |
|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <div>PURCHASE</div> <div>\$500,000</div>      | <div>PURCHASE</div> <div>\$500,000</div>      | <div>PURCHASE</div> <div>\$510,903</div>      |
| <div>LOAN</div> <div>\$450,000</div>          | <div>LOAN</div> <div>\$450,000</div>          | <div>LOAN</div> <div>\$459,813</div>          |
| <div>RATE</div> <div>7.59%</div>              | <div>RATE</div> <div>7.37%</div>              | <div>RATE</div> <div>7.37%</div>              |
| <div>MONTHLY P&amp;I</div> <div>\$3,174</div> | <div>MONTHLY P&amp;I</div> <div>\$3,107</div> | <div>MONTHLY P&amp;I</div> <div>\$3,174</div> |

\$68 / month

PAYMENT IMPROVEMENT  
+\$10,903 SAME-PAYMENT PURCHASE CAPACITY

THE PRACTICAL QUESTION

Can price, verified seller contribution, product structure and property selection close the remaining affordability gap without compromising reserves or the buyer's long-term plan? The rate is one input. The transaction is the system.

Illustration excludes taxes, insurance, mortgage insurance, association dues, discount points and closing costs. Rates are market indices, not an offer to lend. Actual pricing depends on borrower and property characteristics.

SOUTHERN MARYLAND PULSE

# More listings. Uneven demand. No countywide shortcut.

Listing-market and closed-sale measures describe different stages of the transaction cycle.

REALTOR.COM - SEPTEMBER LISTING MARKET

| COUNTY     | ACTIVE | YOY    | LISTING DOM | PENDING YOY | PRICE CUTS |
|------------|--------|--------|-------------|-------------|------------|
| St. Mary's | 271    | +13.7% | 42          | -17.7%      | 19.5%      |
| Calvert    | 333    | +47.5% | 45          | -0.7%       | 20.6%      |
| Charles    | 647    | +9.1%  | 44          | -19.0%      | 21.5%      |

REDFIN - CLOSED-SALE MARKET

Rolling price/DOM through Sept.; sales count for Sept.

| COUNTY     | MEDIAN PRICE | YOY    | SEPT. SOLD | SALES YOY | CLOSED DOM |
|------------|--------------|--------|------------|-----------|------------|
| St. Mary's | \$419,062    | +3.5%  | 96         | -28.1%    | 41         |
| Calvert    | \$473,939    | -0.75% | 103        | +16.9%    | 54         |
| Charles    | \$458,873    | -0.24% | 192        | -0.34%    | 64         |

READ THE DIVERGENCE

St. Mary's combined higher prices with sharply fewer September closings. Calvert produced more closings even as rolling closed-sale DOM lengthened. Charles remained nearly flat on price while its rolling closed-sale DOM reached 64 days. More supply does not produce one negotiation rule for three counties.

REGIONAL SPOTLIGHT

# Loudoun County: stable price, weaker activity.

An expensive, payment-sensitive market where demand adjusted before the median price did.



**THE SPOTLIGHT SIGNAL**

Loudoun's median sale price held slightly above last year's level while September sales fell almost 19%. At the same time, active listings increased nearly 28% and pending inventory fell almost 22%. Payment pressure is appearing in activity before it fully appears in the countywide price median.

## What this means in practice

- 1

A stable county median does not mean each property has stable leverage.
- 2

More listings improve selection, but 99.2% sale-to-list still argues against blanket discount assumptions.
- 3

The strongest opportunity is property-specific: condition, competition, seller timing and payment structure.

## STEVE'S TAKE

# Use the improvement. Do not exaggerate it.

A better market input is not a complete transaction strategy.



**A rate improvement does not tell a buyer to rush. It tells a prepared buyer to rerun the transaction.**

- STEVE COMBS

The rate market improved, but the latest application and listing data still describe caution. That is not a reason to freeze. It is a reason to diagnose the buyer's payment, reserves, property choice and negotiation before prescribing a solution.

## Four questions before calling the rate move good news

**1 What is the comfortable full payment after taxes, insurance and reserves?**

**2 What changed in purchase capacity - and what affordability gap remains?**

**3 Does this property offer price, concession or timing flexibility?**

**4 Would the proposed structure remain sound if rates do not improve again?**

**A useful window still requires a disciplined plan.**

## CONTINUE YOUR PLANNING

# Turn market context into a personal plan.

Choose the resource that matches the decision in front of you.

## SCHEDULE

**MeetSteveCombs.com**

Choose a time to review your goals and next move.

## WEEKLY BRIEF

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

Read the current brief and issue archive.

## ASK STEVE

**AskSteve247.com**

Start with a question, scenario or property.

## START MY HOMEBUYER PLAN

**steve-combs.com/buy/**

Build a payment, cash and timing plan.

Payment planning tool: [steve-combs.com/target-payment-calculator/](https://steve-combs.com/target-payment-calculator/)

## PLANNING PRINCIPLE

Start with three numbers: the payment that feels comfortable, the payment that represents the true maximum and the cash you intend to preserve after closing.

## What to bring to the conversation

Income, recurring debts, available cash, target payment, timing and any property already under consideration. The objective is not to maximize borrowing. It is to build a durable transaction.



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# USE THE IMPROVEMENT.

# KEEP THE DISCIPLINE.

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The market does not reset all at once. Prepared buyers do not need it to. Measure the payment, diagnose the transaction and use each improvement without pretending it solved more than it did.

START A STRATEGY CONVERSATION

**MeetSteveCombs.com**

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