GOT MORTGAGES UNIVERSITY

THE HOUSING MARKET AFTER THE FED

SEPTEMBER 17, 2026 | MARKET IMPACT BRIEF

What happened. Why it matters. What buyers, sellers and Realtors should understand - especially in New Jersey.

The Fed is fighting inflation. But one Fed decision does not directly set your 30-year mortgage rate. The opportunity is understanding how monetary policy, the bond market and your local housing market work together.

WANT TO KNOW WHAT THIS MARKET MEANS FOR YOUR PAYMENT?

Abdel Khawatmi | Got Mortgages | 973-536-0276 | GotMortgages.com

01 | THE FED

What happened yesterday?

The Federal Reserve raised the federal funds target range by 0.25 percentage points to 3.75%-4.00%. The reason: inflation remains above the Fed's 2% objective while the economy and labor market have remained resilient enough for policymakers to keep pressure on prices.

0.25%	3.75%-4.00%	2%
FED HIKE	NEW TARGET RANGE	LONG-RUN INFLATION GOAL

THE SIMPLE EXPLANATION

The Fed is tapping the brakes. Higher short-term rates make borrowing more expensive across the economy, which can cool demand and help prevent inflation from reaccelerating. This is monetary policy aimed at inflation - not a direct decision about 30-year mortgage rates.

02 | MORTGAGE RATES

Fed rate does not equal mortgage rate

The Fed controls a very short-term policy rate. Mortgage rates are driven much more directly by the bond market - including Treasury yields, mortgage-backed securities, inflation expectations, economic growth and investor risk. Markets often price an expected Fed move before the meeting happens.

Translation: A 0.25% Fed hike does not mean your mortgage rate automatically rises 0.25%. Mortgage pricing can move higher, lower or stay relatively flat depending on what the bond market expected and what the Fed signals about the future.

1	2	3	4
FED POLICY	INFLATION + GROWTH	BOND MARKET	MORTGAGE PRICING
Short-term policy	What investors expect next	Treasuries + MBS react	Consumer rates reprice

BEFORE YOU LOCK, FLOAT OR WAIT - LET'S RUN THE ACTUAL MATH

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03 | THE NATIONAL MARKET

Higher rates are creating a two-speed housing market

Nationally, affordability remains the pressure point. Higher mortgage rates reduce purchasing power, which can slow transaction volume and give buyers more negotiating leverage where inventory is building. At the same time, housing remains intensely local.

HIGHER RATES Less purchasing power	MORE INVENTORY More buyer choice in some markets	LOCAL DEMAND Determines pricing pressure

04 | NEW JERSEY

New Jersey is not the national average

New Jersey continues to show an important combination: inventory has improved, but demand remains durable. Recent statewide market data still shows rising prices year over year, more homes available for sale and a large share of transactions closing above asking price.

$587.6K	+2.2%	+8.8%	48.3%
MEDIAN PRICE	PRICE YoY	HOMES FOR SALE YoY	SOLD ABOVE ASKING

What that means: Buyers may have more choices, but desirable, correctly priced NJ homes can still move quickly. Sellers need strategy. Buyers need financing positioned before they compete.

THE NJ OPPORTUNITY

Higher rates can remove some competition. If mortgage rates eventually improve, demand can return quickly in supply-constrained areas. Price, payment, competition, seller concessions, buydowns and a future refinance strategy should be evaluated together.

05 | THE EXPERT MESSAGE

The market is not something to fear. It is something to structure.

"Stop trying to time the housing market and start understanding it. The Fed controls monetary policy. The bond market drives mortgage pricing. And your local housing market determines your opportunity."

BUYERS

Do not assume waiting automatically creates a better deal. Compare today's price, negotiating leverage and financing options against the realistic cost of waiting.

SELLERS

Demand still exists, especially in New Jersey, but buyers are payment-sensitive. Pricing, condition, marketing and financing incentives matter.

REALTORS

Clients are hearing 'Fed hike,' 'rates,' 'inflation' and 'housing crash' as if they mean the same thing. They do not. The professionals who translate the data into a clear local strategy become more valuable.

AI IS THE ANALYST. I'M STILL THE ADVISOR.

Let's model the payment, cash-to-close, competition, seller concessions and refinance strategy around the actual client and property.

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Sources: Federal Reserve September 16, 2026 FOMC materials; Reuters housing and mortgage-market reporting; Redfin New Jersey housing-market data. Market conditions and mortgage pricing change frequently. Educational use only.