COLTRAIN MORTGAGE

The Fed Meets This Week. Here's What Actually Matters for Your Mortgage Rate.

Scan for the live version with working links

RATES & TIMING

The Fed Meets This Week. Here's What Actually Matters for Your Mortgage Rate.

Coltrain Mortgage Team · September 13, 2026 · 6 min read

The Federal Reserve meets September 15-16, and this one comes with more genuine uncertainty than usual. Under new Fed Chair Kevin Warsh, the tone out of the Fed has turned notably more hawkish on inflation, and markets are now pricing better-than-even odds of a rate hike, not the cut some were expecting a few months ago. Here's what's actually on the table, and just as important, why that doesn't move your mortgage rate the way most people assume.

What's actually expected this week

This is what's called a "projection meeting" - alongside whatever the Fed decides on the rate itself, it also releases an updated "dot plot," a chart showing where each Fed official expects rates to land over the next few years. That dot plot could end up moving markets more than the rate decision itself. Between a hotter-than-expected inflation picture and a new, inflation-focused Fed Chair, the base case has shifted from "will they cut" to "will they hold, or hike."

Meets Sept 15-16	New Chair: Kevin Warsh	30-Yr Rate ~6.76%	1-Year High

If the Fed holds or hikes, vs. if the Fed cuts

Tap either one - here's the realistic read on each scenario.

Holds or Hikes

Cuts

This is currently the more likely outcome. A hold paired with a hawkish dot plot, or an actual hike, would reinforce the "higher for longer" story that's already been pushing longer-term yields, and mortgage rates, up. It doesn't mean mortgage rates spike overnight, but it removes near-term downward pressure.

6.76%

Where the average 30-year fixed rate sits right now, a one-year high, even before this week's meeting happens.

The Fed rate and your mortgage rate are not the same thing

This is worth repeating because it trips up almost everyone: the Fed funds rate is an overnight rate banks charge each other, not the rate on your 30-year mortgage. Mortgage rates are priced off longer-term bond markets and investor expectations, which is why mortgage rates sometimes rise even after the Fed cuts, and fall even when the Fed holds steady. The relationship is real, but it's indirect, and it runs through the factors below, not straight from the Fed's announcement to your rate sheet.

What actually moves your mortgage rate

THE 10-YEAR TREASURY YIELD

Mortgage rates track this benchmark closely, far more than the Fed funds rate itself. Rising yields on inflation and deficit concerns are the single biggest reason rates have climbed lately - we break the full picture down in what's actually driving mortgage rates higher.

INFLATION DATA (CPI & PCE)

Hotter-than-expected inflation reports push bond yields up, since investors demand more return to offset the eroding value of future fixed payments.

MORTGAGE-BACKED SECURITY SPREADS

The extra premium investors demand to hold mortgage bonds over Treasuries. This spread widens during uncertainty, pushing mortgage rates up independent of Treasury yields.

GOVERNMENT DEFICIT & BOND SUPPLY

Heavy federal borrowing means more bonds hitting the market. More supply generally means investors demand higher yields to absorb it, which pulls mortgage rates up too.

THE FED'S BALANCE SHEET POLICY

Quantitative tightening removes a major buyer from the bond and mortgage-bond market. Less demand from the Fed itself adds upward pressure on rates.

THE MARKET'S EXPECTATIONS, NOT JUST THE DECISION

Bond markets price in what they expect the Fed to do for years out. If investors believe policy stays tighter for longer, long-term rates rise now, in anticipation, regardless of today's actual vote.

> **Are we doing a follow-up after the meeting?** Only if the actual outcome is meaningfully different from what's expected here. If the Fed does roughly what the market is already pricing in, this explainer still holds and we won't clutter the feed with a redundant recap.

What this means if you're buying or refinancing right now

Rates sitting at a one-year high, with a genuinely uncertain Fed meeting ahead, is exactly the kind of moment where "wait and see" can cost more than it saves. Whether you're weighing a home purchase or a refinance, timing the exact bottom is a guessing game even for professionals - we walk through that tradeoff in more depth in buy now and refinance later, or wait for rates to drop. If you want a clear read on your specific situation instead of guessing from headlines, that's a five-minute conversation.

Not sure if now's the time to lock or wait?

← **Back to all posts**

Call (631) 851-4420 | coltrain.com