



Mortgage Rates Just Hit a One-Year High: What Buyers Should Do Right Now



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## RATES & TIMING

# Mortgage Rates Just Hit a One-Year High: What Buyers Should Do Right Now

Coltrain Mortgage Team · October 2, 2026 · 7 min read

If you've been house hunting on Long Island this fall, you've probably felt it: the rate you were quoted a few weeks ago isn't the rate you're seeing today. Mortgage rates have climbed five weeks in a row and are sitting at their highest level in more than a year. We've been doing this for more than 20 years, and here's what we tell every buyer who calls us worried: it's frustrating, but it's not a reason to panic or give up. Let's look at what's actually pushing rates up, what a rate change really does to your payment, and five practical moves that put you back in control.

## What Just Happened to Mortgage Rates?

Freddie Mac's weekly benchmark survey, the most widely cited measure of the average 30-year fixed rate, rose for the fifth straight week in its September 24 release and crossed a level it hadn't reached since early 2025. Daily rate trackers moved even faster in the days that followed, as a sharp sell-off in the bond market pushed long-term Treasury yields to levels last seen in the mid-2000s.

In plain English: borrowing got more expensive fast, over a few weeks instead of a few months. If you were quoted a rate back in August, you're probably looking at noticeably different numbers today.



**5 Straight Weekly  
Increases**



**Highest Level in Over a  
Year**



**Fed Raised Rates Sept.  
16**



**Bond Market Sell-Off**

## Why Are Mortgage Rates Going Up Right Now?

Here's the part that surprises a lot of people: most of this move is coming from the bond market, not directly from the Federal Reserve. Thirty-year mortgage rates tend to track the yield on the 10-year Treasury note, because investors who buy mortgage-backed securities compare them against Treasuries. When Treasury yields jump, mortgage rates follow, usually within days. We broke down that relationship in detail in **What's Driving Mortgage Rates Higher Right Now**.

The Fed did add fuel. On September 16, its policy committee voted unanimously to raise the federal funds rate by a quarter point, its first increase since 2023, citing inflation that has stayed above its 2% target for more than five years. That decision doesn't set your mortgage rate, but it signals to bond investors that inflation is still a concern, and that expectation is exactly what pushes long-term yields up. If you want the background on what the Fed was weighing going into that meeting, see our **Fed meeting preview**.

**The Fed doesn't set mortgage rates.** It sets a short-term, overnight rate between banks. Mortgage rates are priced off long-term bond yields, which respond to inflation, economic data, and government borrowing, which is why mortgage rates can rise even in weeks when the Fed does nothing at all.

## 5 weeks in a row

Consecutive weekly increases in Freddie Mac's benchmark 30-year fixed average through its September 24, 2026 survey.

## How Much Does a Rate Change Really Cost You?

Headlines talk about rates in fractions of a percent, which makes it hard to know what a move actually means for your wallet. Enter your loan amount and the rate you were actually quoted (it's on your Loan Estimate or your lender's quote), then drag the slider to see what a rate change does to your monthly principal and interest payment.

This post includes an interactive payment-impact calculator. Scan the QR code at the top of this page to try it with your own numbers.

## 5 Moves Buyers Should Make Right Now

You can't control the bond market. You can control how you shop, when you lock, and how your deal is structured. These are the moves we're walking buyers through this fall.

### 1 **Decide your lock strategy before you're under contract**

In a rising market, the gap between your offer being accepted and your rate being locked is where money gets lost. Know in advance how long a lock you'll need for your closing timeline, and what it costs to extend one if the closing slips. Our guide to **how rate locks actually work** covers the fine print.

## 2 Ask about a float-down option

A float-down lets you lock now for protection, then capture a lower rate if the market improves before closing. It usually comes with a cost and specific conditions, so ask what triggers it and what it costs before you pay for it. In a market this volatile, it can be cheap insurance.

## 3 Negotiate seller credits toward a rate buydown

Instead of asking for a price cut, ask the seller to contribute toward buying down your rate, either permanently with discount points or temporarily with a 2-1 or 1-0 buydown. On a conventional loan for a primary residence, Fannie Mae allows seller contributions of up to 3%, 6%, or 9% of the price depending on your down payment. With more homes on the market this fall, sellers are more open to this than they were a year ago.

## 4 Re-run your budget at today's payment, not last month's

If you got pre-qualified over the summer, your numbers may have shifted. A higher payment changes your **debt-to-income ratio**, which can change the price range you qualify for. Check it with our **affordability calculator** or have a loan officer rerun it before you write an offer, not after.

## 5 Shop more than one lender

When rates move fast, pricing between lenders can spread out too. The CFPB recommends getting multiple quotes for exactly this reason. As a broker, Coltrain compares pricing across a range of wholesale lenders in one step, which is one of the biggest differences between **a mortgage broker and a bank**. One bank can only offer you one bank's rate sheet.

## Should You Lock Your Rate Now or Keep Floating?

Honestly? There's no one-size-fits-all answer, and anyone who tells you exactly where rates are headed next week is guessing. Tap each option to see when it tends to make sense.

### Locking tends to make sense when:

- You're under contract with a firm closing date and your budget is already tight.
- A further increase would break the deal, pushing your payment or debt-to-income ratio past what you can qualify for.
- You value certainty over the chance of a slightly better rate later. A lock protects you from further increases for the lock period.
- You can pair it with a float-down, so you're protected if rates rise and can still benefit if they fall.

### Floating tends to make sense when:

- You're still house hunting and not yet under contract, so there's nothing to lock yet.
- Your closing is far out and a long lock would cost more than it's worth.
- You have room in your budget to absorb a further increase without losing the house.
- You're working with a loan officer who is watching the market daily and can lock the moment conditions change. Floating without someone watching is how buyers get caught.

### Want a second set of eyes on your lock timing?

## Should You Just Wait for Rates to Come Back Down?

Waiting is a real option, but it isn't free, and we'd be doing you a disservice if we pretended otherwise. Nobody can reliably time the bottom of the rate market, and while you wait, home prices, rents, and the homes you've had your eye on keep moving too. We walked through the math of that trade-off in

## Should You Wait for Rates to Drop, or Buy Now and Refinance Later?

If you do buy now, a **refinance** later can be a good way to capture a lower rate if one comes. Just don't build your budget around it. A refinance has closing costs, requires you to qualify again, and depends on rates actually falling enough to make the math work. Buy a payment you can live with today, and treat a future refinance as a bonus, not a plan.

## The Bottom Line

Rising rates change the strategy, not the goal. Buyers who get their lock plan in place early, negotiate for seller help, re-check their budget, and shop more than one lender are still closing on homes this fall, often on better terms than buyers who just wait and hope. Not sure which of these moves fits you? Give us a call. A quick conversation with one of our loan officers is the fastest way to figure it out.

## COMMON QUESTIONS

Why are mortgage rates going up right now?

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Did the Fed's rate hike raise mortgage rates?

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Should I lock my mortgage rate now or wait?

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What is a float-down option?

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Can the seller help me get a lower mortgage rate?

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Consumer Financial Protection Bureau, **"What's a lock-in or a rate lock?"**

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**READY WHEN YOU ARE**

## Shopping for a home while rates are rising?

No pressure, no obligation - just a clear game plan from a local loan officer who compares lenders for you.

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