THE FEDERAL SAVINGS BANK
Co. NMLS# 411500
Member FDIC
EQUAL HOUSING LENDER

Ted Rood
Branch Manager, Gen Way Home Mortgage
NMLS #543290
O Fallon, Missouri 63368

Office: 3147400004
Mobile: 314-740-0004
ted_rood@yahoo.com

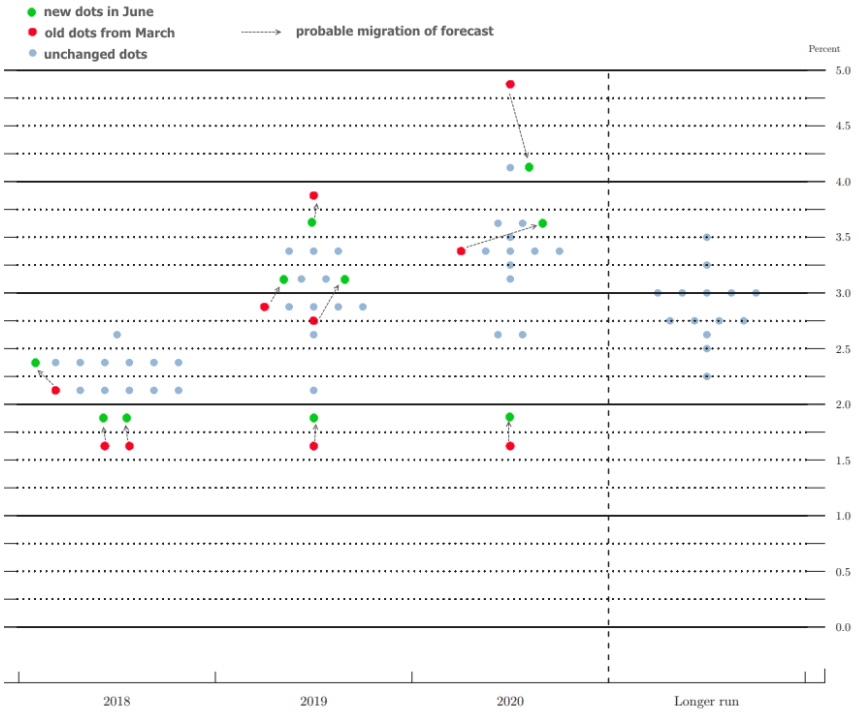
A Message from Ted Rood:

"Here's some great analysis on today's Fed news from Matthew Graham of MBS Live"

UPDATE: Breaking Down Massive Changes From The Fed

This was the most heavily edited Fed announcement we've seen in a long time. Frankly, I haven't been keeping track of the number of changed words because we don't tend to see enough of a change to keep track. If we exclude key policy changes like tapering, balance-sheet normalization, etc (because clearly, those required a ton of changes), this one is in a class by itself for the past 5+ years.

1. **Changes in The DOTS.** In addition to the changes in the statement itself, several of the "dots" moved up in the rate hike forecasts. These can be seen below and the likely path of migration seems fairly logical:



MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	98.72	+0.02
10 YR Treasury	5.1271	-0.0071
30 YR Treasury	5.4736	-0.0022

Pricing as of: 11/16 7:39PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.51%	+0.01	0.00
15YR Fixed	7.04%	+0.01	0.00
30YR FHA	7.08%	+0.03	0.00
30YR Jumbo	7.52%	+0.02	0.00
7/6 SOFR	7.12%	-0.01	0.00
30YR VA	7.10%	+0.03	0.00
Freddie Mac			
30YR Fixed	7.11%	+0.90	0.00
15YR Fixed	6.45%	+0.98	0.00
Mortgage Bankers Assoc.			
30YR Fixed	7.21%	+0.09	0.75
15YR Fixed	6.64%	+0.21	0.97
30YR FHA	6.98%	+0.20	1.06
30YR Jumbo	7.21%	+0.06	0.47
7/6 SOFR	6.28%	+0.18	1.14

Rates as of: 11/16

© 2026 MBS Live, LLC. - This mortgage market update is a service of MarketNewsletters.com and MBS Live.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/tedrood

2. **Press Conference After Every Meeting.** Another major change is the addition of a press conference following every announcement. Powell had previously indicated this was possible. Now that the change has been made, it's worth considering that meetings with press conferences are thought to be easier venues for the Fed to ratchet up rates or remove accommodation. I think it's a mistake to equate "more press conferences" with a hawkish Fed. I think the better way to look at it is that press conferences make sense. They also allow the Fed to be more flexible in the future. Making this change when the policy path is well understood runs less of a risk of "sending a message" than if they made the change abruptly in the future just as the policy path was shifting. It makes sense.

3. **Changes in the Statement...**

There are quite a few, so I'll just hit the highlights and you're welcome to check out our full comparison HERE for more. The following bullets are divided based on whether they're good or bad for bonds (interchangeable words would be "hawkish=bad" and "dovish=good").

- Bond-negative/hawkish changes:
  - Economic activity now "solid" instead of "moderate."
  - DROPPED: verbiage that differentiated between different measures of inflation
  - "gradual adjustments in stance" changed to "gradual "increases in rates"
  - goal of rate hikes changed from "expand at moderate pace" to "consistent with sustained expansion"

- Bond-positive/dovish changes:
  - "inflation objective" is now the "symmetric inflation objective" (reminds markets that will stop hiking as soon as it looks like rate hikes are acting as a brake on price growth and that because inflation had been under 2 % for so long that a rise above 2% doesn't meant the Fed will have to hike more quickly in order to get it under control).

- Neutral change:
  - This whole mess was removed from the end: "The Committee will carefully monitor actual and expected inflation developments relative to its symmetric inflation goal. The Committee expects that economic conditions will evolve in a manner that will warrant further gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data."
    - In one sense, removing verbiage that promises "only gradual increases" in the fed funds rate is bad for bonds. On the other hand, the Fed is also giving up on saying that the current rate is lower than it is expected to be in the long run. I'd tend to see this as slightly more positive for bonds. It's more like "we're close enough that we no longer have to say rates are lower than will be. I.E. we're getting closer to neutral, and thus closer to the rate ceiling.

4. **Fed lifted IOER (interest on excess reserves) only 0.20%** compared to the 0.25% hike. This is a pretty esoteric change and it's much less consequential than it seems. It also has a lot to do with the last bullet point about rates getting closer to neutral. Bottom line, IOER is one of the tools the Fed employs to push actual market rates toward its target (remember, the Fed Funds Rate is a TARGET--not something that actually governs lending rates). In order to effect change in actual overnight lending rates, the Fed can change the interest it pays banks on excess reserves. Paying slightly less than the target hike amount means one of two things: either financial markets are doing enough on their own to push the pace of overnight rate increases or that the Fed is getting closer to a neutral rate and wants to keep the actual (aka "effective fed funds rate") in the middle of their target window as opposed to the higher side.

© 2026 MBS Live, LLC. - This mortgage market update is a service of MarketNewsletters.com and MBS Live.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/tedrood



Subscribe to my newsletter online at: http://mortgageratesupdate.com/tedrood

Responsive service, experienced expertise

I've dedicated my 26 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

Ted Rood

© 2026 MBS Live, LLC. - This mortgage market update is a service of MarketNewsletters.com and MBS Live.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://mortgageratesupdate.com/tedrood