THE FEDERAL SAVINGS BANK
Co. NMLS# 411500
Member FDIC

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

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

The Day Ahead: Jerome Powell Testimony Could Set Stage For Next Big Move

The Fed is undoubtedly a **major factor** in market movement--especially when it comes to rates. At first glance, the key consideration is their collective stance on future rate hikes. But given the recent comments from multiple Fed speakers, we're increasingly going to need to scrutinize comments about the Fed's balance sheet.

The balance sheet can be thought of like the Fed's stash of bonds. From there, think of bonds like loans the Fed has invested in. In that sense, **the Fed is a mortgage lender**, both to the US government and to actual mortgage borrowers (because they've bought plenty of MBS).

As a big old mortgage lender, the **Fed has a choice to grow, maintain, or shrink** its book of business by deciding what it will do with the cash it receives when its borrowers pay off their loans. since the end of 2017, they've been pocketing the cash and letting their book of business shrink. But now they're talking about stopping the shrinkage. In other words, when their borrowers pay off their loans, the Fed may soon begin loaning that money out again.

When the Fed is "loaning out money," it equates to **massive bond buying**. This is one of the key reasons that the bond market has been able to hold ground near long-term lows, even as the initial reasons for the Nov/Dec rally (massive stock losses and other fiscal/economic uncertainties) have begun to subside.

Fed Chair Powell only mentioned the balance sheet in passing in his opening remarks, but if pressed in today's Q&A with the senate, he may talk more about what the balance sheet plans could look like. And that could be good enough to give bonds an **early idea** of which side of the consolidation range looks easier to break.

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	98.68	-0.01
10 YR Treasury	5.1281	-0.0061
30 YR Treasury	5.4763	+0.0005

Pricing as of: 11/16 7:51PM 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

Rates as of: 11/16

© 2026 MBS Live, LLC. - This newsletter is a service of MarketNewsletters.com.

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 newsletter is a service of MarketNewsletters.com.

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