Summary of the President's Meeting with Fed Chair Powell and Its Implications

The recent meeting between the President and Federal Reserve Chair Jerome Powell resulted in no immediate changes to interest rates. The Fed maintained its current rate range of 4.25–4.50%, emphasizing its commitment to data-driven decisions and independence from political influence. While Powell left the door open for potential rate cuts later this year, he noted that any adjustment would depend on further progress in reducing inflation.

Implications for the Housing Market and Interest Rates:

- **Mortgage Rates:** Despite stable short-term rates, long-term mortgage rates remain elevated around 7%, driven by persistent inflation and Treasury yields.
- **Housing Market:** High borrowing costs continue to suppress homebuying activity, with limited inventory due to homeowners staying put in lower-rate mortgages.
- **Outlook:** The Fed's cautious stance suggests any meaningful rate relief—and corresponding improvement in housing affordability—is unlikely until late 2025 or beyond.

In short, while rate cuts may be on the horizon, the housing market remains constrained by affordability challenges and structural supply issues in the near term.