IMPERIAL FUND ASSET MANAGEMENT | STABILITY & SUCCESS

Monthly Newsletter

09/2026

Fall 2026 Residential Mortgage Investor Meetup

Online, November 4 at 11:00 AM EDT

Please join the Imperial Fund Asset Management team for our Residential Mortgage Investor Meetup, where we will discuss non-agency mortgage performance, securitization trends, and key developments across our platform.

RSVP HERE

Fall 2026 Residential Mortgage Investor Meetup
November 4 at 11:00 AM EDT

Conferences

As the largest annual gathering of residential real estate finance professionals, the conference offers an opportunity to explore the latest industry trends, exchange insights, and discover innovations shaping the mortgage market We would be glad to connect with lenders, originators, and industry partners throughout the event.

MBA's Annual Convention & Expo 2026
Chicago, October 11–14

With over 6,500 structured finance professionals expected to participate, the event serves as a key platform for investor meetings, market discussions, and deal-making opportunities. We look forward to engaging with institutional investors and industry peers, strengthening existing relationships, and exploring new opportunities for collaboration.

ABS East 2026
Miami, October 18–21

Market Updates

On September 16, the FOMC voted unanimously to raise the federal funds rate by 25bp to 3.75–4.00%, its first hike since July 2023. The 2-year Treasury yield has since reached 4.9% and the 10-year 5.2%.

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Recent rate increases are also affecting mortgage market conditions. According to MBA, the average 30-year conforming mortgage rate rose to 7.30% in late September, its highest level since November 2023. Mortgage demand weakened through the month, with the MBA Purchase Index declining from 157.8 to 148.2 and the Mortgage Refinance Index falling from 732.6 to 557.8. Borrowers also continued to shift toward adjustable-rate mortgages, which accounted for 10.3% of applications, the highest share since October 2025.

Nomura expects higher rates to weigh on monthly non-QM origination volumes, although the market should continue to grow over the longer term as non-QM gains share of the mortgage market. Nomura also expects prepayments to slow, with the extent of the decline varying by product type. Non-QM gross issuance has reached $86bn year-to-date, already exceeding the full-year 2025 total of $80bn.

Extension risk has become the key theme in the market. Nomura notes that funding costs for new deals have risen to 6.25–6.3%, making calls uneconomic for deals issued in late 2025 and early 2026. As a result, the market is starting to price these bonds to a significantly longer life. Investors are expected to increasingly differentiate deals based on shelves' call history, and sequential structures are returning to new issuance.
According to BofA, spreads widened across the board this week, with non-QM AAA 7bp wider week-over-week at 130bp. Spreads are flat month-over-month, however, and remain within their recent range.

Sources:
Bank of America Research
MBA Weekly Survey
Nomura Research

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