

# The Planning Quarterly

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## PEAPACK PRIVATE

Welcome to the first issue of the Planning Quarterly for 2026! With spring around the corner, we take a look at the spring housing market and how it differs from previous years. The One Big Beautiful Bill placed limits on student loans that you may want to learn about. With spring cleaning in mind, many people also wonder which papers to keep and which to toss. Finally, what steps can you take in 2026 to tune up your financial situation? Enjoy these timely articles!

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# The 2026 Housing Market: Insight For Your Next Big Move

Matthew Yard, CFP®

Wealth Planner



As we turn the page on winter and head into spring, which can be the busiest real estate season of the year, many clients are asking the same question, “Is now the right time to buy or sell my home?” Over the past five years, the market has gone through one of the most chaotic cycles in recent memory. The pandemic brought record low mortgage rates, bottoming at 2.65% before spiking back up to 7.8% in late 2023. We have seen home prices soar by more than 45%, while driving inventories to historic lows. These recent sharp swings are the reason many still question whether now is the right time to act. However, with early signs of stability appearing, there is growing optimism that 2026 will offer a clearer path forward for buyers and sellers alike.

Early 2026 is showing welcoming signs of stability. Mortgage rates have settled into the low 6% range, with forecasts averaging around 6.3% for the year. Inventory is up 20% from the same time last year. Additionally, home prices are expected to rise between 2% and 4%. While this is a slower growth rate than in the past few years, it is expected to continue to be positive. On average, homes remain on the market for 46 days, as opposed to 41 days a year earlier.

For buyers, these lower interest rates allow for an easier entry into the market. Buyers should no longer be fearful of rates dramatically jumping overnight, which occurred in 2022 and 2023. As inventory increases, buyers will continue to benefit from having more choices, and we will see fewer competitive bidding wars. With the prices of homes expected to grow at a modest 2% to 4% growth in 2026, buyers are no longer forced into the “buy now or be priced out forever” mindset. Overall, 2026 is expected to be the first year in nearly half a decade in which buyers can make thoughtful, manageable decisions.

For sellers, the same conditions boosting buyer confidence are also creating a more balanced selling environment. As demand for homes strengthens, sellers can expect an increase in qualified offers. While inventory is higher than in years past, the market is not oversupplied. With supply and demand both up, it is important that sellers price their home appropriately to stand out and maximize interest.

After years of volatility, 2026 is finally expected to offer a more stable and predictable housing market. Buyers will gain breathing room, and sellers will benefit from steady demand. The question of whether now is the right time to buy or sell ultimately boils down to your goals and overall financial picture.

If you are looking to buy or to sell your home in 2026, make sure to reach out to a Certified Financial Planner™ to assist you in making the best decision for you and your family.

Contact the author with any questions: Matthew Yard at (908) 698-1056 or [myard@peapackprivate.com](mailto:myard@peapackprivate.com)

# Understanding the Latest Federal Student Loan Caps

**Jenny Gan, CPA, MST, CFP®**  
Wealth Planner

If your student is planning for college or graduate school, you may have probably heard that federal student loan rules are changing. The One Big Beautiful Bill Act (OBBB), signed into law on July 4, 2025, introduced the largest shift in federal borrowing rules in decades. Beginning July 1, 2026, both students and parents will face limits on how much they can borrow. These limits will affect how families plan for education at every level, from freshman year through postgraduate professional or graduate school.



## A New Lifetime Cap for Student Borrowers

One of the most important changes is the introduction of a single \$257,500 lifetime cap for all federal loans taken directly by students. This covers everything from undergraduate loans, graduate loans, and even borrowing for professional degrees.

This means:

- Every dollar borrowed counts against the same cap.
- Higher undergraduate borrowing can reduce the amount available to borrow for graduate or professional school later.
- For example, if a student takes out \$30,000 of loans for a bachelor's degree, there will be \$227,500 remaining under the cap for any future degrees.

This is a meaningful shift from previous rules, where graduate and professional students often relied on Graduate PLUS loans to fill large funding gaps.

## New Limits for Graduate and Professional Programs

OBBB also eliminates Graduate PLUS loans for new borrowers. Going forward, students will rely entirely on Direct Unsubsidized Loans, which are now subject to borrowing caps:

- Graduate degrees: Up to \$20,500 per year, with a \$100,000 lifetime cap.
- Professional programs (medicine, law, dentistry): Up to \$50,000 per year, with a \$200,000 lifetime cap.

Remember, these caps must still fit under the overall \$257,500 lifetime student limit.

For families with students planning for high-cost programs, this makes early planning especially important because federal loans alone may not cover the full cost.

## Parent PLUS Loans Continue with New Boundaries

Parent PLUS loans remain an option for families, but OBBB places new caps on how much parents can borrow:

- Up to \$20,000 per year.
- Up to \$65,000 total per dependent student.

For families with students who are already in college prior to July 1, 2026, there is some flexibility. Parents may continue borrowing under the old rules for up to three more academic years.

## What This Means for Families

With these new limits on the horizon, a few planning strategies can make a significant difference:

- Tap into education savings, particularly through 529 plans, to reduce reliance on capped federal borrowing.
- Borrow conservatively during undergraduate years to avoid limiting options for graduate or professional school later.
- Use savings, scholarships, and lower cost school options early to help stretch limited federal loan eligibility.

By thinking about education as a multi-stage journey rather than one step at a time, families can better manage loan limits, anticipate gaps, and create a more sustainable long term financing plan.

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# Spring Cleaning Your File Cabinets: How Long Should You Keep Financial and Legal Documents?

**Robert Gavin**

Wealth Planning Analyst

Are your file cabinets signaling that it may be time for a long-overdue cleanout? Many individuals hold on to decades of paperwork, including canceled checks, old bank statements, tax returns, and ATM receipts, often out of concern that something important might be discarded. Understanding which documents truly need to be kept, how long they should be retained, and whether they must remain in original form or can be stored digitally can help reduce clutter while ensuring critical records remain protected.

While there are no universal rules governing document retention, tax and financial professionals generally agree that retention decisions should be guided by the nature of the document and its potential future use. Most personal records fall into several broad categories: personal identification, legal documents, tax records, asset and liability documentation, bank and investment statements, and miscellaneous supporting documents.

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*"Knowing which documents to keep—and which to let go—turns paperwork from a burden into a tool."*

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## Personal Identification and Legal Documents

Documents related to personal identity should be retained permanently in their original physical form. These include birth certificates, Social Security cards, passports, marriage or divorce records, adoption papers, death certificates, and estate settlement documents.

Additionally, core legal documents should be kept indefinitely in a secure location such as a home safe, a safe deposit box, or an attorney's vault. These documents include wills, trusts, powers of attorney, health care directives, beneficiary designations, divorce decrees, and separation agreements. Maintaining original copies ensures they are readily available when needed and reduces the risk of challenges related to authenticity.

## Tax Records

Tax documents generally fall into two categories: those retained for seven years and those retained permanently. Many professionals recommend retaining filed federal and state income tax returns and all supporting documentation for seven years. Supporting records include W2s, 1099s, receipts, charitable contribution acknowledgments, and real estate closing statements. Digital copies are acceptable, provided they are complete and legible.

Certain tax documents should be retained indefinitely. These include Forms 8606 (non-deductible IRA contributions), records of Roth conversions, gift and estate tax filings (Forms 709 and 706), and trust tax returns until the trust has been fully terminated. Retaining W2s until Social Security benefits begin is also advisable to verify earnings history.



## Assets, Liabilities, and Financial Statements

Records related to the purchase or sale of assets should generally be kept for at least seven years after disposition. This includes real estate purchase and sale documents, deeds, titles, mortgage records, and proof of loan satisfaction. Documentation for home improvements should be retained with tax records, as these expenses may affect the cost basis of a property.

Bank and investment statements can typically be discarded after one year if the information is summarized on annual statements, which should be retained for seven years. For investments purchased prior to 2012, cost basis documentation should be kept, as custodians were not required to maintain this information at that time.

## Storage and Organization

Highly sensitive documents should be stored securely in physical form, while digital records should be encrypted and backed up using external drives or reputable cloud solutions. Maintaining a simple inventory of key documents that notes what they are, where they are stored, and how long they should be retained can provide clarity and peace of mind.

With a thoughtful document retention strategy, it is possible to reduce unnecessary clutter, safeguard essential records, and reclaim your file cabinets with confidence.

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# Seven Actions to Take Now to Make 2026 the Best Year Yet!

**Cynthia Aiken, CFP®**

Head of Financial Planning

First quarter is the perfect time to take steps to set your financial house in order. Here are seven concrete steps you can take to improve your financial health:

## 1. Are you taking full advantage of your Employer Accounts?

- Does your **401(k) or 403(b) retirement plan offer an employer match?** Specifically, does your employer offer to match employee contributions up to a certain percentage of salary? If so, are you contributing enough to receive the full employer match?
- Are you aware of the annual **401(k) contribution limits?** The maximum 401(k) employee contribution in 2026 is \$24,500. Those over 50 can make a catchup contribution of an additional \$8,000 (for a total of \$32,500) and workers aged 60 to 63 have a special super catchup allowance of \$11,250 (for a total of \$35,750). Can you contribute the maximum amount this year?
- Furthermore, does your employer plan have a **Roth 401(k)** component? A Roth 401(k) enables employees to make after-tax contributions to their 401(k) account, which are invested and can grow with no tax impact. When you leave the employer, the Roth 401(k) can be rolled into a Roth IRA and have all the benefits of a Roth IRA account – no tax on the earnings or appreciation of the account and no tax on distributions from the account.
- In the menu of health insurance options offered by your employer, are a high-deductible plan and a **Health Savings Account (HSA)** offered? If the high-deductible insurance plan works for your health care needs, open an HSA through your employer and fund it to the maximum, but do not spend it! In 2026, you can contribute up to \$4,400 for an individual or \$8,750 for a family. Pay your medical expenses out-of-pocket and leave the HSA untouched. The HSA is a triple tax-advantaged account – it is funded with pre-tax dollars, all growth is tax free, and distributions used for medical expenses are tax free!

## 2. When was the last time that you checked the beneficiary designations on your financial accounts?

Take the time to review the names listed as beneficiaries on your checking, savings, investment and retirement accounts. It's also a good idea to examine the beneficiaries on your life insurance policies. Are they still appropriate? Are any changes needed?

3. Pull out your **estate planning documents** - Wills, Powers of Attorney, Health Care Directives and Trusts. How long ago were they written or updated? Are the goals still appropriate? Have there been any life events which necessitate adding or deleting individuals? Are you still comfortable with the trustees, executors and guardians named in the documents?
4. Is **gifting to family members** on your agenda this year? If so, you can gift up to \$19,000 per individual or \$38,000 per married couple to an individual. Early in the year is a good time to plan the gift timing and the source of these funds.
5. Rather than making **charitable donations** to your favorite non-profits by cash or check, consider these **giving strategies**:
  - **Donate highly appreciated securities** or other non-cash assets directly to the charity. You may be eligible to include this donation at the market value on the date of donation in your itemized deductions on your tax return.
  - **Donor Advised Fund** - Establish and fund a Donor Advised Fund with securities (preferably highly appreciated securities), then make grants from the fund to your favorite 501(c)3 charities.
  - **Qualified Charitable Contribution** - If you are age 70.5 or older, you can transfer \$111,000 annually from your IRA to a qualified charity. This approach helps satisfy your required minimum distribution requirement and keeps the distribution out of your taxable income. However, you are not allowed to include this donation as an itemized deduction on your income tax return.
  - Consult with your tax professional and Wealth Advisor to determine the optimal strategy for your tax situation.

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*"When was the last time that you checked the beneficiary designations on your financial accounts?"*

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## 6. Thinking about a Roth IRA?

- Depending upon your income, you may be able to make contributions to a Roth IRA of up to \$7,500 if you are under age 50 and \$8,600 if age 50 and over. Eligibility depends upon your 2026 Modified Adjusted Gross Income (MAGI). For Single filers, the income limit is \$153,000 to make a full contribution and the contributions phase out between \$153,000 and \$168,000. If you file as Married Filing Jointly, full contribution is permitted if MAGI is under \$242,000 and allowable contributions phase out between \$242,000 and \$252,000.
- If your income exceeds the Roth IRA contribution thresholds mentioned above and you are interested in establishing or increasing the balance in your Roth IRA account, you could evaluate the appropriateness of a Roth IRA conversion. This is a process of withdrawing funds from your IRA and transferring the funds directly into a Roth IRA. The only hitch is that the IRA withdrawal is taxed as ordinary income in the year of the withdrawal. Roth conversions are best exercised in years of very low taxable income with the advice of your tax professional.

7. **Following an expense budget** may be difficult or seemingly impossible for you, but try tracking your expenses for a month, a quarter or a year. Whether you track expenses to the penny or at a very high level, it is valuable to have a sense of how much you are spending. With a rough idea of your expenses and your federal and state income taxes, you will be aware of how much cash flow is needed to support your lifestyle. Word to the wise – try to avoid “life style creep.” This is the tendency to increase spending as your income increases. As income increases, savings should increase!

These seven action steps will help you take advantage of opportunities in your employer benefits and the tax code, and will encourage you to check and update your critical financial, insurance and estate documents. If you make it to the seventh step, you get the prize of gaining a handle on your expenses – perhaps the most important action of all!

Please reach out to your Wealth Advisor with any questions.



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