Claude Loan

2026 STATE GUIDE

Conventional Loans in Arkansas: The Numbers

Conforming limit, down payment and monthly cost on the state median at 3%, 5%, 10% and 20% down, the month PMI ends, and the Arkansas rules that touch the loan.

A conventional loan in Arkansas follows Fannie Mae and Freddie Mac's national rules; the state supplies the prices, the taxes and the closing customs. This guide works the numbers on the state median and lists the Arkansas rules that touch the loan.

Arkansas at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$210,000
Property tax (effective)	about 0.62% — roughly $1,302 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	Arkansas levies a real property transfer tax of $3.30 per $1,000 of consideration (0.33%), customarily paid by the seller unless the contract says otherwise.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Arkansas in 2026. With 20% down you can buy up to about $1,040,938 and stay conforming; with 5% down, up to about $876,579. On the $210,000 median, a 20% down loan of $168,000 is inside the limit. Check your county on FHFA's lookup (fhfa.gov); two- to four-unit homes have higher limits.

What it costs on the Arkansas median

Illustrative 6.5% 30-year fixed rate, principal and interest; mortgage insurance at typical market rates by down payment (credit score moves it); property tax at the state's approximate 0.62% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$6,300	$203,700	$1,288	$153	$109	**$1,550**
5%	$10,500	$199,500	$1,261	$125	$109	**$1,495**
10%	$21,000	$189,000	$1,195	$79	$109	**$1,383**
20%	$42,000	$168,000	$1,062	—	$109	**$1,171**

When PMI ends

Under the federal Homeowners Protection Act you may request cancellation at 80% of the original value; the servicer must cancel at 78% and, if you are current, at the loan's midpoint. On scheduled payments alone at 6.5%:

Down payment	Monthly PMI (est.)	80% reached (request)	78% reached (automatic)	PMI paid by then (est.)
3%	$153	about 11 years and 1 months	about 12 years	$20,349
5%	$125	about 10 years and 4 months	about 11 years and 3 months	$15,500
10%	$79	about 7 years and 11 months	about 9 years and 1 months	$7,505

> **Shorten the clock.** Extra principal payments, or a cancellation request based on a new appraisal after enough seasoning (Fannie Mae and Freddie Mac typically allow 75% LTV after two years or 80% after five on current value), end PMI sooner than the schedule.

Closing in Arkansas

Arkansas closings are conducted by title companies and their closing agents; an attorney is not required, although lenders often have counsel prepare or review the mortgage and deed because the Arkansas Supreme Court restricts document preparation by non-lawyers to standardized forms. Funding is wet, with disbursement on the day of closing. Title premiums and closing fees are among the lower in the South.

Arkansas has no mortgage tax and no intangible tax on the note; the mortgage is recorded with the county circuit clerk for a per-page fee. The state real property transfer tax of $3.30 per $1,000 (Ark. Code § 26-60-105) falls on the deed, not the loan, and is usually paid by the seller. A refinance therefore costs only recording fees. Closing costs in Arkansas are modest — typically 2% to 3% of the price — with the transfer tax usually on the seller's side and title premiums among the lower in the region.

Arkansas rules that touch a conventional loan

Prepayment. Arkansas has no general statute forbidding prepayment penalties on residential mortgages; the Arkansas Home Loan Protection Act bars them on high-cost home loans and federal qualified-mortgage rules limit them elsewhere. A penalty must be written into the note to be collected. The Arkansas Constitution's interest rate ceiling (Amendment 89) governs the rate, not prepayment terms — ask the Securities Department if a penalty looks out of line.

Spouses and title. Arkansas is a separate-property state that, unusually, still recognizes dower and curtesy (Ark. Code § 28-11-301 et seq.), so a spouse who is not on title must sign the mortgage to release those inchoate rights or the lender's lien is subject to them. Tenancy by the entirety is available to married couples, and a joint deed to spouses is generally presumed to create it. Survivorship between unmarried co-owners must be stated expressly.

Homestead. Arkansas protects the homestead by constitution (Art. 9, §§ 3-5): up to 80 acres outside a city (160 acres if worth no more than $2,500) or one acre in town, with a minimum of a quarter acre that is protected regardless of value — so within the acreage limits the equity protection is unlimited. The exemption does not bar foreclosure of a mortgage the owner signed, tax liens, or liens for labor and materials. For property taxes, Amendment 79 provides a homestead credit against the tax bill (increased several times, most recently to $425 per year — verify the current amount with your county) and caps annual assessment increases on a homestead at 5%, with a freeze for owners 65 or older or disabled.

Your Arkansas checklist

- [ ] Pull a tri-merge credit report; conventional pricing steps at 680, 700, 720, 740 and 760 — know your middle score before you shop.
- [ ] Decide the down payment with the table above: the monthly total, not the cash down, is what the lender qualifies you on.
- [ ] Confirm the conforming limit for your county on FHFA's site; structure the loan to stay under it if you can.
- [ ] Get three Loan Estimates on the same day at the same rate and zero points; compare Section A fees line by line.
- [ ] Ask whether the automated underwriting returned an appraisal waiver — it saves money and time.
- [ ] Calendar the month your balance reaches 80% of the purchase price and send the PMI cancellation request in writing.
- [ ] Read the Arkansas closing customs above and budget the recording and transfer taxes.
- [ ] After closing, file the homestead exemption with your county if the state has one.

The method, in five steps

1. Find your county's conforming loan limit on FHFA's site; above it, you are shopping jumbo rules.
2. Know your middle credit score from a tri-merge pull — pricing steps at 680, 700, 720, 740 and 760.
3. Compute your back-end DTI with the full housing payment (taxes, insurance, PMI, HOA), not just principal and interest.
4. Compare three Loan Estimates at the same rate and zero points; compare Section A fees line by line.
5. If you put less than 20% down, calendar the month your balance reaches 80% of the original value — that is when you can request PMI cancellation.

Keep reading on Claude Loan

- Conventional loan requirements: credit, down payment, DTI, reserves, property — https://claude-loan.com/guides/conventional-loan-requirements/
- Conventional vs FHA vs VA vs USDA: the four loan types compared — https://claude-loan.com/guides/conventional-vs-fha-vs-va-vs-usda/
- Conforming loan limits: how the FHFA number works and what happens above it — https://claude-loan.com/guides/conforming-loan-limits/
- 30-year vs 15-year mortgage: the real trade-off, with the numbers — https://claude-loan.com/guides/30-year-vs-15-year-mortgage/

- ARM vs fixed-rate mortgage: when an adjustable rate makes sense — https://claude-loan.com/guides/arm-vs-fixed-rate/
- Jumbo loans: requirements, rates and how they differ from conforming — https://claude-loan.com/guides/jumbo-loans/

Sources

- Fannie Mae — Selling Guide — https://selling-guide.fanniemae.com/
- Freddie Mac — Seller/Servicer Guide — https://guide.freddiemac.com/
- FHFA — Conforming loan limits — https://www.fhfa.gov/data/conforming-loan-limit-cll-values

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