Claude Loan

2026 STATE GUIDE

Conventional Loans in Colorado: 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 Colorado rules that touch the loan.

A conventional loan in Colorado 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 Colorado rules that touch the loan.

Colorado at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$550,000
Property tax (effective)	about 0.49% — roughly $2,695 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	Colorado's state documentary fee is just $0.01 per $100 (0.01%), among the lowest in the country; a handful of mountain resort towns levy their own real estate transfer taxes of 1% to 3% on sales within town limits.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Colorado 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 $550,000 median, a 20% down loan of $440,000 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 Colorado 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 0.49% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$16,500	$533,500	$3,372	$400	$225	**$3,997**
5%	$27,500	$522,500	$3,303	$327	$225	**$3,855**
10%	$55,000	$495,000	$3,129	$206	$225	**$3,560**
20%	$110,000	$440,000	$2,781	—	$225	**$3,006**

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%	$400	about 11 years and 1 months	about 12 years	$53,200
5%	$327	about 10 years and 4 months	about 11 years and 3 months	$40,548
10%	$206	about 7 years and 11 months	about 9 years and 1 months	$19,570

> **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 Colorado

Colorado closings are conducted by title companies, which prepare the settlement statement and disburse; attorneys are optional and rarely attend a residential closing. The state's good-funds statute (C.R.S. § 38-35-125) requires that funds be collected before the title company disburses, which makes Colorado a wet-funding state with same-day recording at the county clerk and recorder. Title insurance rates are filed with the Division of Insurance and the seller customarily pays for the owner's policy.

Colorado has no mortgage recording tax or intangible tax. The state documentary fee on deeds is one cent per $100 of consideration above $500 and is paid by the buyer on the conveyance, not on the loan. Recording a deed of trust with the county clerk and recorder involves a per-page fee plus a small statutory surcharge, and public trustee release fees apply when the loan is paid off. Outside the resort towns, Colorado closing costs are moderate — about 2% to 3% of the price — with title companies handling closings and sellers customarily paying for the owner's title policy along the Front Range.

Colorado rules that touch a conventional loan

Prepayment. Colorado's Uniform Consumer Credit Code (C.R.S. § 5-1-101 et seq.) gives consumers the right to prepay loans within its scope without penalty, but most first-lien residential mortgages are largely outside the UCCC's rate and fee provisions, so federal qualified-mortgage limits are the main constraint on a prepayment penalty. The Consumer Equity Protection Act separately bars penalties on covered high-cost loans beyond narrow conditions. Check the note and, if needed, the UCCC Administrator in the Attorney General's office.

Spouses and title. Colorado is a separate-property, equitable-distribution state with no dower or curtesy. Colorado's homestead statute (C.R.S. § 38-41-202) requires both spouses to sign any instrument that conveys or encumbers a homestead that is the couple's residence, so lenders generally ask a non-titled spouse to sign the deed of trust on the family home. Joint tenancy with survivorship must be declared in the deed (C.R.S. § 38-31-101).

Homestead. Colorado's homestead exemption (C.R.S. § 38-41-201) was raised in 2023 to $250,000 of equity, or $350,000 when an owner or dependent is 60 or older or disabled, after sitting at $75,000 and $105,000 for years; it applies automatically to the owner-occupied home and now also covers mobile homes and certain vehicles used as residences. It cannot stop a deed of trust, tax lien or HOA lien from being foreclosed. For property tax, the Senior Homestead Exemption exempts 50% of the first $200,000 of actual value for owners 65 and older who have lived in the home ten years, extended to qualifying disabled veterans and Gold Star spouses; the legislature has also passed temporary residential assessment reductions in recent years.

Your Colorado 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 Colorado 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