Claude Loan

2026 STATE GUIDE

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

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

Connecticut at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$430,000
Property tax (effective)	about 1.79% — roughly $7,697 a year on the median
Closing practice	Attorney closing state
Transfer / recording taxes	Connecticut's conveyance tax is 0.75% of the price up to $800,000 and 1.25% above (2.25% on the portion over $2.5 million), plus a municipal tax of 0.25% (0.5% in certain eligible towns). It is paid by the seller by statute.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Connecticut 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 $430,000 median, a 20% down loan of $344,000 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 Connecticut 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 1.79% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$12,900	$417,100	$2,636	$313	$641	**$3,590**
5%	$21,500	$408,500	$2,582	$255	$641	**$3,478**
10%	$43,000	$387,000	$2,446	$161	$641	**$3,248**
20%	$86,000	$344,000	$2,174	—	$641	**$2,815**

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%	$313	about 11 years and 1 months	about 12 years	$41,629
5%	$255	about 10 years and 4 months	about 11 years and 3 months	$31,620
10%	$161	about 7 years and 11 months	about 9 years and 1 months	$15,295

> **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 Connecticut

Connecticut is a strict attorney state: since Public Act 19-88 took effect in October 2019, Conn. Gen. Stat. § 51-88a makes it unauthorized practice for anyone other than a Connecticut-admitted attorney to conduct a residential mortgage closing. The buyer's attorney typically searches and certifies title, issues the title policy as an agent, and disburses the lender's funds; the seller has separate counsel. Closings are wet-funded, with recording on the town land records (Connecticut has no county recording offices).

Connecticut has no mortgage recording tax or intangible tax on the note. The real estate conveyance tax — a state rate of 0.75% rising to 1.25% and 2.25% on higher price brackets, plus a 0.25% municipal tax — is paid by the seller on the deed. Recording a mortgage on the town land records costs a per-page fee set by statute plus a small state surcharge. Because the conveyance tax falls on the seller, Connecticut buyers mainly face attorney, title and recording fees; budget about 2% to 3% of the price, and expect an attorney at the closing table by local practice.

Connecticut rules that touch a conventional loan

Prepayment. Connecticut prohibits prepayment penalties on high-cost and nonprime home loans under its Abusive Home Loan Lending Practices Act, and the banking statutes require any penalty on other residential loans to be disclosed in the note; there is no flat ban on prime first mortgages, so the federal qualified-mortgage three-year limit is usually the operative cap. Confirm the current rule with the Department of Banking's Consumer Credit Division before accepting a penalty clause.

Spouses and title. Connecticut is a separate-property state with equitable distribution at divorce and no dower, curtesy or statutory homestead joinder requirement, so a spouse who is not on title generally does not need to sign the mortgage. Married couples usually take title as joint tenants with right of survivorship, which must be stated in the deed. Connecticut is a lien-theory state, so the mortgage is security only and the borrower keeps legal title.

Homestead. Connecticut's homestead exemption jumped from $75,000 to $250,000 of equity per owner in October 2021 (Conn. Gen. Stat. § 52-352b, Public Act 21-161), one of the largest increases any state has enacted; it protects the owner-occupied residence from most judgment creditors but not from a consensual mortgage, tax liens or liens for child support. There is no statewide homestead exemption from property tax; towns assess at 70% of market value and set their own mill rates, with mandatory veterans' exemptions and an income-tested elderly and disabled circuit-breaker credit administered by the Office of Policy and Management.

Your Connecticut 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 Connecticut 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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