Claude Loan

2026 STATE GUIDE

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

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

Hawaii at a glance

Conforming limit (2026, one unit)	$1,249,125 — statewide high-cost ceiling
Median home price (approx.)	$850,000
Property tax (effective)	about 0.29% — roughly $2,465 a year on the median
Closing practice	Escrow closing state
Transfer / recording taxes	Hawaii's conveyance tax is graduated by price and ownership type: starting at $0.10 per $100 (0.1%) for owner-occupants under $600,000 and rising through several brackets for higher prices and non-owner-occupied property. It is customarily paid by the seller.

Conforming or jumbo?

A one-unit loan above $1,249,125 is jumbo in Hawaii in 2026. With 20% down you can buy up to about $1,561,406 and stay conforming; with 5% down, up to about $1,314,868. On the $850,000 median, a 20% down loan of $680,000 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 Hawaii 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 0.29% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$25,500	$824,500	$5,211	$618	$205	**$6,034**
5%	$42,500	$807,500	$5,104	$505	$205	**$5,814**
10%	$85,000	$765,000	$4,835	$319	$205	**$5,359**
20%	$170,000	$680,000	$4,298	—	$205	**$4,503**

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%	$618	about 11 years and 1 months	about 12 years	$82,194
5%	$505	about 10 years and 4 months	about 11 years and 3 months	$62,620
10%	$319	about 7 years and 11 months	about 9 years and 1 months	$30,305

> **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 Hawaii

Hawaii closes through escrow companies licensed under Hawaii Revised Statutes chapter 449 — Title Guaranty, Old Republic and a few others dominate — with no attorney requirement, though attorneys are often used for leasehold and trust matters. Funding is dry: documents are recorded at the state Bureau of Conveyances (Regular System) or the Land Court (for Torrens-registered land) in Honolulu, and escrow disburses after recording. Because every recording in the state runs through one office, recording dates drive closing schedules.

Hawaii has no mortgage recording tax and no intangible tax on the note; recording a mortgage at the Bureau of Conveyances or Land Court costs a per-document fee. The state conveyance tax (HRS chapter 247) applies to the deed, at tiered rates from $0.10 per $100 up to $1.25 per $100 for the highest price brackets, with higher rates for buyers who will not occupy the home; it is paid by the seller. A refinance involves recording fees only. Hawaii closings run through escrow companies; buyer closing costs of about 1% to 2% are low as a percentage but large in dollars given prices, and condo buyers should budget for association document fees and reserve contributions.

Hawaii rules that touch a conventional loan

Prepayment. Hawaii has no statute that broadly prohibits prepayment penalties on residential mortgages; the Secure and Fair Enforcement for Mortgage Licensing Act (HRS chapter 454F) regulates originator conduct and disclosure, and federal qualified-mortgage rules supply the practical limits. Any penalty must be stated in the note. The Division of Financial Institutions can confirm what a licensee may charge.

Spouses and title. Hawaii is a separate-property state that abolished dower and curtesy in 1977; a spouse not on title generally need not sign the mortgage. Married couples, and registered reciprocal beneficiaries, may hold as tenants by the entirety, which shields the home from the separate creditors of either spouse. Joint tenancy with survivorship is available but must be stated in the conveyance.

Homestead. Hawaii's statutory homestead exemption (HRS § 651-92) is modest — $30,000 for a head of family or a person 65 or older, $20,000 for others — and Hawaii also permits debtors to elect the federal bankruptcy exemptions instead. It does not defeat a consensual mortgage, tax liens or association liens. Property tax is a county matter with no state tax: each county grants its own home exemption, such as Honolulu's $120,000 basic exemption (higher for owners 65 and older) and different amounts on Maui, Hawaii Island and Kauai, producing the lowest effective residential rates in the country for owner-occupants; Honolulu taxes non-owner-occupied homes valued over $1 million at a higher Residential A rate.

Your Hawaii 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 Hawaii 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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