Claude Loan

2026 STATE GUIDE

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

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

Indiana at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$240,000
Property tax (effective)	about 0.83% — roughly $1,992 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	Indiana has no real estate transfer tax; counties charge only recording fees and a small sales disclosure fee, keeping government closing costs among the lowest in the country.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Indiana 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 $240,000 median, a 20% down loan of $192,000 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 Indiana 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 0.83% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$7,200	$232,800	$1,471	$175	$166	**$1,812**
5%	$12,000	$228,000	$1,441	$143	$166	**$1,750**
10%	$24,000	$216,000	$1,365	$90	$166	**$1,621**
20%	$48,000	$192,000	$1,214	—	$166	**$1,380**

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%	$175	about 11 years and 1 months	about 12 years	$23,275
5%	$143	about 10 years and 4 months	about 11 years and 3 months	$17,732
10%	$90	about 7 years and 11 months	about 9 years and 1 months	$8,550

> **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 Indiana

Indiana closings are run by title insurance agencies and their escrow departments, and no statute requires an attorney at the table. Lawyers prepare deeds and review documents when a party hires one, but the title agent handles the settlement statement, disbursement and recording. Indiana is a wet-funding state and its good-funds law (Indiana Code 27-7-3.7) requires wired or otherwise collected funds before a title agent may disburse; buyer-side costs typically run about 2 percent to 3 percent of the price.

Indiana charges no mortgage tax, intangible tax or documentary stamp on the note, and no transfer tax on the deed. The county recorder collects a flat statutory recording fee per mortgage (currently a few tens of dollars, set by Indiana Code 36-2-7-10) plus a small fee for the sales disclosure form that accompanies every conveyance. The absence of both taxes keeps Indiana among the cheapest states to record a lien. Indiana buyer closing costs typically total 2% to 3% of the price, almost entirely lender, title and prepaid items; property taxes are paid a year in arrears, which affects prorations and escrow setup.

Indiana rules that touch a conventional loan

Prepayment. Indiana limits prepayment penalties on home loans through its Home Loan Practices law (Indiana Code 24-9-3) and bars them entirely on high-cost home loans, while the Uniform Consumer Credit Code (Indiana Code 24-4.5-3-209) sets the general right to prepay consumer credit. The exact window and percentage a first-lien lender may still charge depend on the loan type and date, so any penalty clause should be checked against the current text with the Department of Financial Institutions. Federal QM limits apply on top.

Spouses and title. Indiana is a separate-property state, and a married couple taking title together holds it as tenants by the entirety unless the deed says otherwise (Indiana Code 32-17-3-1). A spouse who is not on title does not have to sign the mortgage, because dower and curtesy were abolished long ago; a spouse who is on title must sign, and entireties property cannot be mortgaged by one spouse alone. FHA and VA underwriting in

Indiana uses only the borrower’s own debts, since no community-property rule pulls in the other spouse’s obligations.

Homestead. Indiana’s creditor homestead exemption is modest: a fixed dollar amount of equity in a residence (set in Indiana Code 34-55-10-2 and adjusted every six years, currently in the low twenty-thousands), which is why Chapter 7 filers with real equity often lose it. On the tax side, the standard homestead deduction (the lesser of a fixed dollar figure or a percentage of assessed value) plus a supplemental deduction remove a large share of an owner-occupied home’s assessed value, and the Indiana Constitution’s circuit-breaker caps a homestead’s tax bill at 1 percent of gross assessed value. The exemption never stops a purchase-money mortgage, a property tax sale or a mechanic’s lien; the deduction must be claimed once, usually at closing through the sales disclosure form.

Your Indiana 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 Indiana 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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