Claude Loan

2026 STATE GUIDE

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

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

Maryland at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$420,000
Property tax (effective)	about 1.01% — roughly $4,242 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	Maryland's state transfer tax is 0.5% (reduced to 0.25% and paid entirely by the seller for first-time buyers of a principal residence), plus county transfer taxes of 0% to 1.5% and state recordation tax that varies by county; totals of 1.5% to 3% are common, typically split.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Maryland 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 $420,000 median, a 20% down loan of $336,000 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 Maryland 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 1.01% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$12,600	$407,400	$2,575	$306	$354	**$3,235**
5%	$21,000	$399,000	$2,522	$249	$354	**$3,125**
10%	$42,000	$378,000	$2,389	$158	$354	**$2,901**
20%	$84,000	$336,000	$2,124	—	$354	**$2,478**

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%	$306	about 11 years and 1 months	about 12 years	$40,698
5%	$249	about 10 years and 4 months	about 11 years and 3 months	$30,876
10%	$158	about 7 years and 11 months	about 9 years and 1 months	$15,010

> **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 Maryland

Maryland settlements are conducted by title companies and settlement attorneys, many of whom own title agencies, and no statute requires a lawyer at the table. Title insurance producers must be licensed by the Maryland Insurance Administration, and the settlement agent disburses only with collected funds. Maryland closing costs are among the highest in the country because of state and county recordation and transfer taxes layered on top of ordinary fees.

Maryland taxes the debt itself: every county levies a recordation tax on the principal amount secured by the deed of trust, at rates that vary by county and in some counties climb for larger loans, typically paid by the borrower. A refinance of a principal residence is exempt to the extent of the outstanding balance being replaced (Tax-Property 12-108(g)). On the deed, the state transfer tax is 0.5 percent (reduced to 0.25 percent and charged to the seller for first-time Maryland homebuyers) plus a county transfer tax, so Maryland closing taxes can approach 3 percent in some jurisdictions. Maryland is among the costlier states to close in because of layered transfer and recordation taxes; even with the first-time buyer reduction, buyer costs commonly run 3% to 4% of the price in the Baltimore and Washington suburbs.

Maryland rules that touch a conventional loan

Prepayment. Maryland's Commercial Law Title 12 generally bars a lender from charging a prepayment penalty on a loan secured by the borrower's home, with the rule found in section 12-105 and echoed in the alternative mortgage subtitles. Loans governed by federal preemption or made to non-owner-occupants may fall outside the ban, so the note and the Loan Estimate should still be read. Where a penalty survives, the federal QM caps apply.

Spouses and title. Maryland is a separate-property state where a married couple taking title together holds as tenants by the entirety by default. A non-titled spouse has no dower interest to release and does not sign the deed of trust, while entireties property can be encumbered only with both spouses' signatures. The absence of community property means the other spouse's debts are ignored in FHA and VA ratios.

Homestead. Maryland's creditor homestead exemption, under Courts and Judicial Proceedings 11-504(f), shelters owner-occupied residential equity up to an amount tied to the federal bankruptcy homestead figure, roughly $30,000, and it cannot be used twice within eight years. It gives no protection against a deed of trust the owner signed, property taxes or a condominium lien. The better-known Maryland benefit is the Homestead Tax Credit, which caps the annual increase in a principal residence's taxable assessment at 10 percent statewide, with many counties choosing a lower cap, and requires a one-time application.

Your Maryland 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 Maryland 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