Claude Loan

2026 STATE GUIDE

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

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

Minnesota at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$340,000
Property tax (effective)	about 1.08% — roughly $3,672 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	Minnesota charges a state deed tax of 0.33% of the price (paid by the seller) and a mortgage registry tax of 0.23% of the loan amount (paid by the borrower); Hennepin and Ramsey counties add a small environmental surcharge.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Minnesota 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 $340,000 median, a 20% down loan of $272,000 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 Minnesota 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 1.08% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$10,200	$329,800	$2,085	$247	$306	**$2,638**
5%	$17,000	$323,000	$2,042	$202	$306	**$2,550**
10%	$34,000	$306,000	$1,934	$128	$306	**$2,368**
20%	$68,000	$272,000	$1,719	—	$306	**$2,025**

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%	$247	about 11 years and 1 months	about 12 years	$32,851
5%	$202	about 10 years and 4 months	about 11 years and 3 months	$25,048
10%	$128	about 7 years and 11 months	about 9 years and 1 months	$12,160

> **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 Minnesota

Minnesota closings are conducted by title companies and licensed closing agents — the state licenses real estate closing agents under Minnesota Statutes 82.75 — and no attorney is required, although buyers sometimes hire one to review the purchase agreement. The closer prepares the settlement statement, collects the mortgage registry tax and records the mortgage, and funding is wet. Buyer closing costs typically run 2 percent to 3 percent, part of which is the mortgage registry tax.

Minnesota charges a Mortgage Registry Tax on the principal debt secured by the mortgage, 0.23 percent of the amount under Minnesota Statutes 287.035, paid by the borrower at recording, plus a small environmental surcharge in Hennepin and Ramsey counties. The deed carries a separate deed tax of 0.33 percent (Minnesota Statutes 287.21), paid by the seller. A refinance pays the registry tax again on the new mortgage amount, which makes the tax a real line item in Twin Cities closings. Minnesota buyer closing costs — the mortgage registry tax, title, lender fees and prepaids — typically run 2% to 3% of the price; closings are handled by title companies.

Minnesota rules that touch a conventional loan

Prepayment. Minnesota bans prepayment penalties on residential mortgage loans outright under Minnesota Statutes 58.137, a rule adopted in 2007 that applies to the loans made by originators regulated under chapter 58. Earlier rules in Minnesota Statutes 47.20 governed conventional loans and still shape the terms depository lenders may use, but the practical result is that a Minnesota home loan rarely has a penalty. Federal QM limits add nothing stricter.

Spouses and title. Minnesota is a separate-property state, but its homestead joinder rule is absolute: a mortgage of the homestead is void unless both spouses sign it, with a carve-out for a purchase-money mortgage (Minnesota Statutes 507.02). A spouse who is not on title therefore signs the mortgage of the family home on any refinance, and closers check marital status on every homestead file. FHA and VA qualifying uses the borrower's own debts only, since community-property rules do not apply.

Homestead. Minnesota's creditor homestead exemption under Minnesota Statutes 510.02 is among the largest in the country, currently around $510,000 of equity (a higher figure for agricultural homesteads), limited to one-half acre in a city or 160 acres elsewhere, and adjusted every two years. It does not defeat a mortgage signed by both spouses, property taxes, mechanic's liens or purchase-money claims. For property taxes, the homestead classification carries a lower class rate and a market value exclusion that shrinks as value rises, and the Homestead Credit Refund returns part of the tax to owners whose bill is high relative to income.

Your Minnesota 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 Minnesota 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