Claude Loan

2026 STATE GUIDE

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

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

Montana at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$460,000
Property tax (effective)	about 0.74% — roughly $3,404 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	Montana has no real estate transfer tax and no mortgage tax; only recording fees apply.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Montana 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 $460,000 median, a 20% down loan of $368,000 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 Montana 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 0.74% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$13,800	$446,200	$2,820	$335	$284	**$3,439**
5%	$23,000	$437,000	$2,762	$273	$284	**$3,319**
10%	$46,000	$414,000	$2,617	$173	$284	**$3,074**
20%	$92,000	$368,000	$2,326	—	$284	**$2,610**

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%	$335	about 11 years and 1 months	about 12 years	$44,555
5%	$273	about 10 years and 4 months	about 11 years and 3 months	$33,852
10%	$173	about 7 years and 11 months	about 9 years and 1 months	$16,435

> **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 Montana

Montana closings are handled by title companies through their escrow departments, which prepare the settlement statement, hold funds, issue the policies and record the trust indenture, and no attorney is required. Buyers occasionally retain a lawyer for a ranch or a water-rights issue, but a standard residential file is closed entirely by the title company. Funding is wet, and buyer costs of 2 percent to 3 percent are typical, with no transfer tax to add.

Montana levies no mortgage tax, intangible tax or documentary stamp on the trust indenture, and no real estate transfer tax on the deed; the county clerk and recorder charges a per-page recording fee. A Realty Transfer Certificate must accompany every deed for the Department of Revenue's records, but it carries no tax. Recording a Montana trust indenture therefore costs only the clerk's fees. Montana buyer closing costs typically run 2% to 3% of the price; title companies handle closings, and rural appraisals can be costly and slow.

Montana rules that touch a conventional loan

Prepayment. Montana has no general statute forbidding prepayment penalties on residential first mortgages, so the note controls within the federal QM limits. The Montana Mortgage Act's prohibited-practices section reaches deceptive or undisclosed terms rather than the penalty itself, and the Montana Consumer Loan Act governs smaller consumer loans separately. A borrower should check the Loan Estimate's prepayment line and ask the Division of Banking if a clause looks unusual.

Spouses and title. Montana is a separate-property state without dower, so a spouse who is not on title need not sign a trust indenture unless a homestead declaration is on record. Once a married owner has recorded a declaration of homestead, the property cannot be conveyed or encumbered without both spouses' signatures (Montana Code Annotated 70-32-301), which is why title companies check for a declaration on every refinance. No community-property rule applies, so the non-borrowing spouse's debts stay out of FHA and VA ratios.

Homestead. Montana’s homestead protection is not automatic: the owner must record a declaration of homestead with the county clerk (Montana Code Annotated 70-32-105), after which the exemption shelters at least $350,000 of equity, a figure raised in 2019 and subject to later adjustments that should be verified. The exemption does not affect a trust indenture the owner signed, property taxes, or liens for labor and materials. Montana has no traditional homestead property tax exemption, only the income-based Property Tax Assistance Program, but the 2025 Legislature created a reduced tax rate for owner-occupied primary residences that requires an application with the Department of Revenue.

Your Montana 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 Montana 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