Claude Loan

2026 STATE GUIDE

Conventional Loans in New Mexico: 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 New Mexico rules that touch the loan.

A conventional loan in New Mexico 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 New Mexico rules that touch the loan.

New Mexico at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$300,000
Property tax (effective)	about 0.75% — roughly $2,250 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	New Mexico 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 New Mexico 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 $300,000 median, a 20% down loan of $240,000 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 New Mexico 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 0.75% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$9,000	$291,000	$1,839	$218	$188	**$2,245**
5%	$15,000	$285,000	$1,801	$178	$188	**$2,167**
10%	$30,000	$270,000	$1,707	$113	$188	**$2,008**
20%	$60,000	$240,000	$1,517	—	$188	**$1,705**

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%	$218	about 11 years and 1 months	about 12 years	$28,994
5%	$178	about 10 years and 4 months	about 11 years and 3 months	$22,072
10%	$113	about 7 years and 11 months	about 9 years and 1 months	$10,735

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 New Mexico

Title companies handle New Mexico closings and the escrow that goes with them; an attorney is not required and rarely present. A distinctive feature is that title insurance premiums and many title fees are promulgated by the Superintendent of Insurance, so the price of a policy does not vary from one title company to another. New Mexico is usually counted among the dry-funding states of the West, and deeds are recorded with the county clerk before funds are released.

New Mexico has no mortgage tax and, unusually, no real estate transfer tax either; a deed of trust or mortgage is recorded at the county clerk for a flat fee per document. Closing costs are therefore driven by promulgated title premiums rather than by any state levy. Neither purchase nor refinance triggers a state recording tax. New Mexico buyer closing costs typically total 2% to 3% of the price; title companies handle closings, and the state's title insurance rates are set by the insurance superintendent.

New Mexico rules that touch a conventional loan

Prepayment. The New Mexico Home Loan Protection Act, NMSA 58-21A, is generally understood to prohibit prepayment penalties on home loans within its coverage, which includes most owner-occupied loans up to the conforming limit and not just high-cost ones. Loans outside the Act fall back on federal qualified-mortgage limits. Because the Act has detailed definitions, confirm coverage of a specific loan with the Financial Institutions Division rather than assuming.

Spouses and title. New Mexico is a community property state under NMSA 40-3-8, and NMSA 40-3-13 requires both spouses to join in any mortgage or transfer of community real property, so a deed of trust signed by one spouse alone is voidable. For FHA and VA loans the non-borrowing spouse's debts count against the borrower and his or her credit report is obtained. Married buyers generally take title as community property, with or without right of survivorship.

Homestead. NMSA 42-10-9 protects a homeowner's equity in the residence from creditors, and the Legislature raised the per-owner figure from $60,000 to $150,000 in 2023, so a married couple can protect

$300,000 — confirm the current figure before relying on it. The exemption yields to a consensual mortgage, to property taxes, and to HOA liens. For property tax, New Mexico allows a head-of-family exemption of $2,000 of taxable value, a veterans exemption that was increased by a 2024 constitutional amendment, and NMSA 7-36-21.2 caps annual increases in a residence's assessed value at 3 percent until it sells.

Your New Mexico 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 New Mexico 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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