Claude Loan

2026 STATE GUIDE

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

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

New York at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$480,000
Property tax (effective)	about 1.4% — roughly $6,720 a year on the median
Closing practice	Attorney closing state
Transfer / recording taxes	New York's state transfer tax is $2 per $500 (0.4%), paid by the seller; New York City adds 1% to 1.425% (seller), and buyers pay the "mansion tax" of 1% and up on purchases of $1 million or more. Buyers also pay mortgage recording tax of about 0.8% to 1.925% of the loan depending on the county.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in New York 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 $480,000 median, a 20% down loan of $384,000 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 York 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 1.4% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$14,400	$465,600	$2,943	$349	$560	**$3,852**
5%	$24,000	$456,000	$2,882	$285	$560	**$3,727**
10%	$48,000	$432,000	$2,731	$180	$560	**$3,471**
20%	$96,000	$384,000	$2,427	—	$560	**$2,987**

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%	$349	about 11 years and 1 months	about 12 years	$46,417
5%	$285	about 10 years and 4 months	about 11 years and 3 months	$35,340
10%	$180	about 7 years and 11 months	about 9 years and 1 months	$17,100

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 York

New York is the archetypal attorney state: the buyer, the seller and the lender each have counsel, and the lender's attorney or a title closer from the title company presides at a closing table where the deed, mortgage and note are exchanged on paper. No statute compels a lawyer, but custom and the complexity of New York contracts make one all but mandatory; attorney fees of a few thousand dollars per side are common downstate. Funding is wet, with the lender's check or wire delivered at the table.

New York imposes a mortgage recording tax under Tax Law Article 11 on the face amount of the note, with a statewide base of 50 cents per $100 plus local additions; in New York City the combined rate on a one-to-three family home is 1.8 percent under $500,000 and 1.925 percent at or above it, of which the lender pays a quarter point. The tax is why refinancing borrowers use a Consolidation, Extension and Modification Agreement, or CEMA, to assign the old mortgage and pay tax only on new money. The separate real estate transfer tax and the mansion tax attach to the deed. New York buyers face the mortgage recording tax, attorney fees, title insurance and, in the city, high closing costs all around — commonly 3% to 5% of the price downstate, 2% to 3% upstate. Co-op purchases avoid the mortgage recording tax and title insurance.

New York rules that touch a conventional loan

Prepayment. General Obligations Law § 5-501(3)(b) generally prohibits a prepayment penalty on a loan secured by a one-to-six family owner-occupied home once the loan is more than a year old, and a penalty in the first year must be expressly stated in the note. Banking Law § 6-m bans prepayment penalties entirely on subprime home loans, and § 6-l bans them on high-cost home loans. Outside those rules, federal qualifiedmortgage limits apply; a penalty that appears on a New York Closing Disclosure deserves a question to the Department of Financial Services.

Spouses and title. New York follows separate property with equitable distribution, so a spouse who is not on the loan does not have his or her debts counted. Lenders nonetheless require both spouses to sign the mortgage when the couple owns as tenants by the entirety, the default vesting for married buyers, because one spouse alone cannot encumber the other's interest. Co-op purchases are financed by a security interest in shares and a proprietary lease rather than a real estate mortgage.

Homestead. CPLR 5206 protects equity in a homeowner's principal residence from judgment creditors in three county-based tiers — the highest for New York City, Long Island, Westchester, Rockland and Putnam — with the dollar amounts adjusted every three years by the Department of Financial Services, so check the current figure. The exemption never blocks a mortgage the owner signed or a tax lien. Property-tax relief comes from the STAR program, which reduces school taxes on a primary residence for owners under an income cap and offers Enhanced STAR to seniors, and from the senior citizen exemption that localities may adopt.

Your New York 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 York 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