Claude Loan

2026 STATE GUIDE

Conventional Loans in North Carolina: 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 North Carolina rules that touch the loan.

A conventional loan in North Carolina 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 North Carolina rules that touch the loan.

North Carolina at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$330,000
Property tax (effective)	about 0.78% — roughly $2,574 a year on the median
Closing practice	Attorney closing state
Transfer / recording taxes	North Carolina's excise tax on conveyances is $1 per $500 (0.2%), paid by the seller; seven coastal counties add a land transfer tax of 1%.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in North Carolina 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 $330,000 median, a 20% down loan of $264,000 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 North Carolina 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 0.78% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$9,900	$320,100	$2,023	$240	$215	**$2,478**
5%	$16,500	$313,500	$1,982	$196	$215	**$2,393**
10%	$33,000	$297,000	$1,877	$124	$215	**$2,216**
20%	$66,000	$264,000	$1,669	—	$215	**$1,884**

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%	$240	about 11 years and 1 months	about 12 years	$31,920
5%	$196	about 10 years and 4 months	about 11 years and 3 months	$24,304
10%	$124	about 7 years and 11 months	about 9 years and 1 months	$11,780

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 North Carolina

North Carolina treats the residential closing as the practice of law: the State Bar requires a licensed North Carolina attorney to examine title, supervise the closing and disburse, and a title company may only issue the policy on the attorney's opinion. The Good Funds Settlement Act, G.S. chapter 45A, makes it a wet-funding state in which the closing attorney may not disburse until collected funds are in trust and the deed and deed of trust have been recorded. Attorney fees for a purchase commonly run from several hundred dollars to about a thousand.

North Carolina does not tax the deed of trust; it is recorded with the county Register of Deeds for a flat statutory fee set by G.S. 161-10. The excise tax on conveyances under G.S. 105-228.30 is $1 per $500 of price, paid by the seller on the deed, with a few coastal counties adding a local land transfer tax. Refinances cost recording fees only. North Carolina closings are conducted by attorneys; buyer costs — attorney, title insurance, lender fees and prepaids — typically total 2% to 3% of the price.

North Carolina rules that touch a conventional loan

Prepayment. G.S. 24-1.1A(b) bars prepayment penalties on home loans at or below a statutory principal threshold — $150,000 under the current text, so verify — and G.S. 24-1.1E forbids them on high-cost home loans of any size; above the threshold a penalty may be charged only as the note states and within federal qualified-mortgage limits. North Carolina also limits late charges on home loans to 4 percent of the payment after 15 days under G.S. 24-10.1. Loans above $300,000 are exempt from most of chapter 24's rate limits but not from the federal rules.

Spouses and title. North Carolina is a separate-property state, so only the borrowing spouse's debts and income are underwritten. Married couples hold title as tenants by the entirety by default, which means both must sign the deed of trust and a judgment against one spouse alone cannot reach the home; G.S. 39-13.6 spells out the entirety rules. A spouse not on the deed generally signs the deed of trust anyway to waive any marital interest.

Homestead. G.S. 1C-1601(a)(1) exempts $35,000 of equity in a residence from judgment creditors, rising to $60,000 for an owner aged 65 or older whose spouse has died and who previously held the home as tenants by the entirety. The exemption cannot be used against a deed of trust, taxes, or a claim for the purchase price. For property tax, G.S. 105-277.1 excludes the greater of $25,000 or half the appraised value for owners 65 or older or permanently disabled under an income limit, and a circuit-breaker deferral and a disabled-veteran exclusion sit alongside it.

Your North Carolina 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 North Carolina 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