Claude Loan

2026 STATE GUIDE

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

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

North Dakota at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$260,000
Property tax (effective)	about 0.98% — roughly $2,548 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	North Dakota 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 North Dakota 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 $260,000 median, a 20% down loan of $208,000 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 Dakota 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 0.98% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$7,800	$252,200	$1,594	$189	$212	**$1,995**
5%	$13,000	$247,000	$1,561	$154	$212	**$1,927**
10%	$26,000	$234,000	$1,479	$98	$212	**$1,789**
20%	$52,000	$208,000	$1,315	—	$212	**$1,527**

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%	$189	about 11 years and 1 months	about 12 years	$25,137
5%	$154	about 10 years and 4 months	about 11 years and 3 months	$19,096
10%	$98	about 7 years and 11 months	about 9 years and 1 months	$9,310

> **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 Dakota

North Dakota closings are handled by title or abstract companies, often the same firm that prepared the abstract of title; an attorney is optional and usually appears only to write a title opinion on older abstracts or on farmland. It is a wet-funding state, with lender funds delivered before the mortgage is recorded with the county recorder. Settlement charges are among the lowest in the country, frequently a few hundred dollars.

There is no mortgage tax, intangible tax or real estate transfer tax anywhere in North Dakota; a mortgage is recorded for a flat county recorder fee that scales with page count. The absence of any tax on either the deed or the note is one reason closing costs are so low. Refinances simply pay a new recording fee and a satisfaction fee when the old mortgage is released. North Dakota buyer closing costs typically total 2% to 3% of the price, among the lowest in the country, with title companies or attorneys handling closings.

North Dakota rules that touch a conventional loan

Prepayment. North Dakota statutes do not set out a general ban on prepayment penalties for residential mortgages, and the Department of Financial Institutions treats the question as one of contract subject to federal qualified-mortgage limits. Penalties are rare in practice because nearly all North Dakota home loans are sold to the agencies or the state-owned Bank of North Dakota programs. Verify the note and, if a penalty appears, ask the Department whether the lender’s license type permits it.

Spouses and title. North Dakota is a separate-property state; a spouse who is not a borrower is not underwritten. Because N.D.C.C. § 47-18-05 voids a conveyance or encumbrance of the homestead unless both spouses sign, every North Dakota lender requires the non-borrowing spouse to execute the mortgage. Joint tenancy is the usual form of title for married couples.

Homestead. N.D.C.C. § 47-18-01 protects a homestead from general creditors up to a stated value — $100,000 for many years, a figure the Legislature revisits occasionally, so confirm the current number — without an acreage limit inside city limits. The protection does not apply against a mortgage, property taxes, or mechanic’s liens. On the tax side North Dakota created a primary residence credit in 2023 and expanded it in

2025, paid by the state against each owner-occupied home's bill, alongside the older homestead credit for low-income owners 65 or older and people with disabilities under N.D.C.C. § 57-02-08.1.

Your North Dakota 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 Dakota 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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