Claude Loan

2026 STATE GUIDE

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

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

Pennsylvania at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$270,000
Property tax (effective)	about 1.49% — roughly $4,023 a year on the median
Closing practice	Title company closing state
Transfer / recording taxes	Pennsylvania's realty transfer tax is 2% in most of the state (1% state plus 1% local), customarily split equally between buyer and seller; Philadelphia's local rate is higher, bringing the total there above 4%.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Pennsylvania 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 $270,000 median, a 20% down loan of $216,000 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 Pennsylvania 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 1.49% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$8,100	$261,900	$1,655	$196	$335	**$2,186**
5%	$13,500	$256,500	$1,621	$160	$335	**$2,116**
10%	$27,000	$243,000	$1,536	$101	$335	**$1,972**
20%	$54,000	$216,000	$1,365	—	$335	**$1,700**

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%	$196	about 11 years and 1 months	about 12 years	$26,068
5%	$160	about 10 years and 4 months	about 11 years and 3 months	$19,840
10%	$101	about 7 years and 11 months	about 9 years and 1 months	$9,595

> **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 Pennsylvania

Pennsylvania closings are conducted by title agents and settlement companies; attorneys are optional and more common in Philadelphia and Pittsburgh than in rural counties. Title insurance premiums are all-inclusive rates filed by the Title Insurance Rating Bureau of Pennsylvania and approved by the Insurance Department, so the same rate applies whichever insurer is used, and it bundles the search and examination. Pennsylvania is a wet-funding state, with funds collected before the settlement agent records the deed and mortgage at the county recorder of deeds.

Pennsylvania does not tax the mortgage; it is recorded for a per-document fee at the county recorder of deeds. The realty transfer tax on the deed is 1 percent to the state plus a local share that is usually another 1 percent — Philadelphia's combined rate is well above 4 percent — and by custom buyer and seller split it equally. A refinance therefore avoids transfer tax altogether. The buyer's 1% (or 2% in Philadelphia) share of the transfer tax makes Pennsylvania one of the costlier states to close in; total buyer costs commonly run 4% to 5% of the price including title and lender fees.

Pennsylvania rules that touch a conventional loan

Prepayment. Act 6 of 1974, the Loan Interest and Protection Law at 41 P.S. § 405, lets a borrower prepay a residential mortgage loan at any time without penalty when the original principal is at or below the Act's base figure, which the Department of Banking and Securities indexes every year and which has stood well above $250,000 in recent years — check the current figure. Larger loans fall outside Act 6 and rely on the note and federal qualified-mortgage limits. Act 6 also caps late charges at 4 percent of the overdue payment.

Spouses and title. Pennsylvania is a separate-property, equitable-distribution state; a spouse who is not a borrower is not underwritten. Married owners hold as tenants by the entirety unless the deed says otherwise, which blocks one spouse's creditors from reaching the home and requires both spouses to sign any mortgage. A non-titled spouse is not normally asked to sign, because Pennsylvania abolished dower and curtesy.

Homestead. Pennsylvania offers no homestead exemption from creditors: outside bankruptcy the only protections are tenancy by the entirety for married owners and a general $300 exemption under 42 Pa.C.S. § 8123. For property tax, the Taxpayer Relief Act of 2006 funds a homestead and farmstead exclusion, applied by each school district in an amount that varies with gaming revenue and must be claimed by filing with the county assessor, and the Property Tax/Rent Rebate program refunds part of the bill to lower-income seniors and people with disabilities. None of this limits a mortgage lender's remedies.

Your Pennsylvania 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 Pennsylvania 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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