Claude Loan

2026 STATE GUIDE

Conventional Loans in Rhode Island: 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 Rhode Island rules that touch the loan.

A conventional loan in Rhode Island 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 Rhode Island rules that touch the loan.

Rhode Island at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$470,000
Property tax (effective)	about 1.4% — roughly $6,580 a year on the median
Closing practice	Attorney closing state
Transfer / recording taxes	Rhode Island's real estate conveyance tax is $2.30 per $500 (0.46%), paid by the seller; an additional rate applies to the portion of a sale above $800,000.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Rhode Island 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 $470,000 median, a 20% down loan of $376,000 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 Rhode Island 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%	$14,100	$455,900	$2,882	$342	$548	**$3,772**
5%	$23,500	$446,500	$2,822	$279	$548	**$3,649**
10%	$47,000	$423,000	$2,674	$176	$548	**$3,398**
20%	$94,000	$376,000	$2,377	—	$548	**$2,925**

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%	$342	about 11 years and 1 months	about 12 years	$45,486
5%	$279	about 10 years and 4 months	about 11 years and 3 months	$34,596
10%	$176	about 7 years and 11 months	about 9 years and 1 months	$16,720

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 Rhode Island

Rhode Island treats the residential closing itself as the practice of law, so a Rhode Island-licensed attorney runs the settlement table, examines the title and prepares the deed and mortgage; title companies issue the policy but do not replace the lawyer. Funding is wet: the lender wires before signing and the attorney disburses the same day once the mortgage is accepted for recording. Expect a few hundred dollars to around a thousand dollars in attorney fees for a typical purchase, separate from title insurance premiums.

Rhode Island imposes no mortgage recording tax or intangible tax on the note; the borrower pays only the recording fee charged by the city or town clerk for the mortgage and any riders. The state real estate conveyance tax, $2.30 for each $500 of consideration, attaches to the deed and is customarily paid by the seller, not to the loan. Rhode Island buyer closing costs — attorney, title, lender fees and prepaids — typically total 2% to 3% of the price, with the conveyance tax on the seller.

Rhode Island rules that touch a conventional loan

Prepayment. Rhode Island has a long-standing statute limiting prepayment penalties on loans secured by owner-occupied one-to-four family homes (General Laws § 34-23-5), and the Rhode Island Home Loan Protection Act forbids them entirely on high-cost home loans. Whether any penalty may be charged on a given loan therefore depends on the loan type and the year of the loan; most conforming loans in the state carry none, and borrowers should check the note and ask the Division of Banking if a penalty clause appears.

Spouses and title. Rhode Island follows common-law marital property rules, so a spouse who is not on the loan has no automatic ownership interest in a home bought by the other spouse. A non-borrowing spouse usually still signs the mortgage to release any marital or homestead claim, and married couples frequently take title as tenants by the entirety, which keeps the home out of reach of one spouse's individual creditors. Only the debts of the actual borrowers count in the debt-to-income ratio.

Homestead. Rhode Island General Laws § 9-26-4.1 shields up to $500,000 of equity in a principal residence from most judgment creditors, one of the larger fixed-dollar homesteads in the Northeast, and no declaration needs to be recorded to claim it. The shield does not apply to a mortgage the owner signed, property taxes, or liens for work done on the house. On the tax side there is no statewide homestead exemption; cities such as Providence grant their own owner-occupied discounts through local ordinance, so the benefit depends on the municipality.

Your Rhode Island 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 Rhode Island 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