Claude Loan

2026 STATE GUIDE

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

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

Washington at a glance

Conforming limit (2026, one unit)	$832,750 baseline — higher in any FHFA high-cost county
Median home price (approx.)	$600,000
Property tax (effective)	about 0.87% — roughly $5,220 a year on the median
Closing practice	Escrow closing state
Transfer / recording taxes	Washington's real estate excise tax (REET) is graduated — 1.1% on the portion of the price up to about $525,000, 1.28% up to about $1.5 million, and higher above — plus a local REET of 0.25% to 0.5%. It is paid by the seller.

Conforming or jumbo?

A one-unit loan above $832,750 is jumbo in Washington 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 $600,000 median, a 20% down loan of $480,000 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 Washington 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 0.87% effective rate. Add homeowners insurance and any HOA. Not an offer.

Down payment	Cash down	Loan	P&I	PMI (est.)	Tax	Monthly total
3%	$18,000	$582,000	$3,679	$437	$435	**$4,551**
5%	$30,000	$570,000	$3,603	$356	$435	**$4,394**
10%	$60,000	$540,000	$3,413	$225	$435	**$4,073**
20%	$120,000	$480,000	$3,034	—	$435	**$3,469**

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%	$437	about 11 years and 1 months	about 12 years	$58,121
5%	$356	about 10 years and 4 months	about 11 years and 3 months	$44,144
10%	$225	about 7 years and 11 months	about 9 years and 1 months	$21,375

> **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 Washington

Washington closings run through independent escrow agents licensed by the Department of Financial Institutions under the Escrow Agent Registration Act (RCW 18.44) or through title companies, with Limited Practice Officers certified by the Supreme Court under APR 12 preparing the closing documents; attorneys are rarely involved. Washington is a dry-funding state: the parties sign first and the lender funds after reviewing the executed package, so closing and recording can fall a day or two apart. Escrow fees are usually split and run in the high hundreds to a couple of thousand dollars.

Washington levies no mortgage tax and no intangible tax on the note; the borrower pays the county auditor's recording fee for the deed of trust, which has grown to a few hundred dollars per document because of legislative surcharges earmarked for housing programs. The real estate excise tax (RCW 82.45), a graduated tax on the deed that the seller pays, is independent of the loan. With REET on the seller, Washington buyer closing costs — escrow, lender's title policy, lender fees and prepaids — typically total 2% to 3% of the price; escrow companies handle closings.

Washington rules that touch a conventional loan

Prepayment. Washington does not ban prepayment penalties outright: the Consumer Loan Act (RCW 31.04) and the Mortgage Broker Practices Act (RCW 19.146) allow them when they are disclosed in the required state forms and consistent with the loan terms, and the federal qualified-mortgage limits cap them. The Department of Financial Institutions treats an undisclosed or inconsistent penalty as a violation, so a Washington borrower should compare the note with the broker's disclosure.

Spouses and title. Washington is a community property state under RCW chapter 26.16: a home acquired during marriage or a registered domestic partnership is presumed community property, and RCW 26.16.030 requires both spouses to join in any conveyance or encumbrance of community real estate, so the non-borrowing spouse signs the deed of trust. Community debts and, on FHA and VA loans, the non-purchasing spouse's obligations are counted in the debt-to-income ratio. Couples may sign a community property agreement under RCW 26.16.120 to pass the home to the survivor without probate.

Homestead. Since a 2021 amendment, RCW 6.13.030 sets Washington's homestead exemption at the greater of $125,000 or the prior-year county median sale price for a single-family home, which means well above half a million dollars in King County and other Puget Sound counties; the exemption is automatic for an occupied residence. It does not stop a deed of trust, tax liens, condominium assessments or mechanics' liens. Washington offers no general homestead property tax exemption and no assessment cap; instead an income-based exemption for seniors and disabled owners under RCW 84.36.381 and a one-percent limit on annual levy growth keep bills in check.

Your Washington 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 Washington 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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