

What is a jumbo loan?

[Get the details on how you can qualify for a larger mortgage loan.](#)

A jumbo loan is a [conventional mortgage](#) that doesn't conform to the loan limit guidelines set by Fannie Mae and Freddie Mac. (Jumbo loans are sometimes called "non-conforming mortgages" because they are one type of home loan that does not conform to Fannie and Freddie's guidelines.)

For 2019, the conforming loan limit is \$484,350 in most areas of the country. In expensive locations such as New York City and many communities in California, the loan limit is \$726,525. Loans that exceed these limits are considered jumbo loans.

Conventional mortgages are loans offered by private lenders without a guarantee from the federal government.

[What are the benefits of a jumbo loan?](#)

The main benefit of a jumbo loan is that it might let you borrow more money to purchase a more expensive property. You can get a jumbo loan with a [fixed or adjustable rate](#).

How do I qualify for a jumbo loan?

Underwriting requirements for jumbo loans are typically stricter than for other loans due to the size of the loan. Here are some of the qualifications that lenders consider before approving borrowers for jumbo loans.

- **Credit score.** Lenders often have higher credit score requirements for jumbo loans compared to other kinds of mortgages. U.S. News & World Report states that borrowers typically need a credit score of 680 to be approved for a jumbo loan, and many lenders want 700 to 720 or higher.
- **Debt-to-income ratio (DTI).** For jumbo loans, the maximum [debt-to-income ratio](#) that lenders might accept may be lower compared to other mortgages. Some lenders may accept a maximum DTI no higher than 45%. Lenders want to ensure you can afford your mortgage payment and other living expenses each month.



- **Down payment.** Lenders might ask for a [larger down payment](#) to approve a jumbo loan. Down payment standards vary from lender to lender, however.
- **Home Appraisal.** The house must be appraised near the amount of the purchase price just like other types of mortgages. Some lenders require two appraisals.
- **Cash in the bank.** Lenders may want to see larger cash reserves to cover your mortgage payments and living expenses when you get a jumbo loan.
- **Proof of income.** Just like with any mortgage, you'll have to provide income and financial documents that prove you can pay the loan back.

Use our [affordability calculator](#) to determine how much home you can afford! Would you like to speak to a Freedom Mortgage Loan Advisor about buying a home with help from Freedom Mortgage? Please complete our [Get Started](#) form or call us at 877-220-5533.







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