A GUIDE FOR HIGHER-VALUE HOMES

# JUMBO

## BIGGER HOME, BIGGER LOAN

*Financing beyond the conforming limit.*

When a loan becomes jumbo, how jumbo underwriting differs, how to compare it against staying conforming, and the options that fit higher-value homes in the Capital Region.



**BRIAN MARCHAND**
SR. LOAN CONSULTANT · NMLS #481563
(518) 396-7392 · brian.marchand@naf.com

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# BUYING ABOVE $832,750? HERE'S WHAT CHANGES.

Most mortgages follow Fannie Mae and Freddie Mac rules, which cap how much you can borrow. In 2026, that cap is **$832,750** for a single-family home in most of the country, including the Capital Region. Above it, you need a **jumbo loan**.

Jumbo loans aren't harder, just different. Lenders look more closely at your **credit, reserves and documentation**, and in exchange, strong borrowers often get very competitive rates, with fixed, adjustable and interest-only options.

I've been helping families into homes since 1993, first as a Realtor and now as a mortgage lender. Read this, then call me. I'll show you whether jumbo or staying conforming is the better move on your purchase.

*Brian*

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# WHAT A JUMBO LOAN IS

*A loan too large for Fannie Mae and Freddie Mac.*

A jumbo loan is any mortgage **above the conforming loan limit**. Because Fannie Mae and Freddie Mac can't buy it, the lender or investor sets its own guidelines, usually built for **strong-profile borrowers**.

| $832,750+ | FIXED & ARM | ANY OCCUPANCY |
|---|---|---|
| Loans above the 2026 conforming limit for a single-family home in most counties. | 30-year fixed, 15-year fixed and adjustable options. Interest-only may be available. | Primary homes, second homes and investment properties can all be eligible. |

### NOT JUST FOR MANSIONS

In Saratoga Springs, Loudonville, Niskayuna, Lake George and other parts of the region, a well-located home can cross the conforming limit faster than you'd expect, especially with a smaller down payment.

**GOOD TO KNOW:** The conforming limit is higher for 2–4 unit properties. A two-family can borrow up to $1,066,250 in 2026 before it's considered jumbo.

# WHO JUMBO LOANS FIT

*Built for borrowers with strong credit, income and savings.*

## USUALLY A GOOD FIT

- Your loan amount is above the conforming limit
- Your credit is strong
- You have meaningful savings and reserves
- Your income is well documented
- You're buying a primary, second or investment home
- You want fixed or adjustable options

## KNOW GOING IN

- Expect **more documentation** than a standard loan
- Lenders require **larger reserves**
- Down payment requirements are often **higher**
- Large loans may need **two appraisals**
- Credit requirements are **stricter**
- Guidelines vary a lot between lenders

**REAL TALK:** Being just over the limit doesn't always mean jumbo is best. A slightly larger down payment, or a second loan, can sometimes keep you conforming. I'll run every option.

# JUMBO VS. CONFORMING

*What changes once you cross the limit.*

| | JUMBO | CONFORMING |
|---|---|---|
| LOAN SIZE | Above $832,750 (1 unit) | Up to $832,750 (1 unit) |
| WHO SETS THE RULES | The lender or investor | Fannie Mae and Freddie Mac |
| CREDIT | Higher scores generally expected | 620 minimum, better pricing higher |
| RESERVES | Often 6–12 months or more | Often fewer, depending on the file |
| APPRAISAL | Sometimes two on larger loans | Usually one, or a waiver |
| RATES | Can be competitive for strong files | Standardized pricing |

**RATES MAY SURPRISE YOU**

Because lenders compete hard for strong jumbo borrowers, jumbo rates aren't always higher than conforming. It depends on the market and your profile. I'll quote both.

# JUMBO OR CONFORMING? AN EXAMPLE

*How much down it takes to stay under the limit.*

Here's a $1,200,000 purchase with 20% down, and what it would take to keep the loan conforming instead.

| | |
|---|---|
| Purchase price | **$1,200,000** |
| Down payment (20%) | **($240,000)** |
| **Loan amount needed** | **$960,000** |
| 2026 conforming limit (1 unit) | **$832,750** |
| **Amount over the limit** | **$127,250** |
| **DOWN PAYMENT TO STAY CONFORMING** | **$367,250 (30.6%)** |

EXAMPLE ONLY. NOT A RATE QUOTE OR LOAN ESTIMATE.

### GO JUMBO

Keep more cash in the bank and finance the full $960,000.

### PUT MORE DOWN

Stay conforming, if the extra cash doesn't hurt your reserves.

### SPLIT IT

A conforming first loan plus a second loan may be another option.

# CREDIT, DOWN PAYMENT & RESERVES

*Jumbo lenders look at the whole financial picture.*

Jumbo programs set limits based on your **credit score**, **loan-to-value (LTV)** and **reserves**, meaning money left in the bank after closing. Larger loans usually need stronger numbers in all three.

| | |
|---|---|
| **STRONG CREDIT, SOLID DOWN PAYMENT** | The most program choices and the best pricing. Usually the smoothest path. |
| **MIDDLE OF THE RANGE** | Still plenty of options. Rate, down payment and reserves vary more from program to program. |
| **SCORES ON THE EDGE** | Fewer programs fit, and the down payment carries more weight. This is where shopping the file matters most. |

### RESERVES ARE A BIG DEAL

Many jumbo programs want to see several months, sometimes a year or more, of house payments in savings or investments after closing. Retirement and brokerage accounts can often count, sometimes at a discount.

**GOOD TO KNOW:** Jumbo credit, down payment and reserve requirements vary by lender and change often. Ask me for current guidelines on your scenario.

# FIXED, ADJUSTABLE & INTEREST-ONLY

*Match the loan to how long you'll keep it.*

| FIXED RATE | ADJUSTABLE RATE | INTEREST-ONLY |
|---|---|---|
| Same rate and principal-and-interest payment for the life of the loan. Best for long-term owners. | A fixed rate for an initial period, often 5, 7 or 10 years, then it adjusts. Can fit shorter plans. | Lower payments for a set period, but you aren't paying down the balance during it. |

### UNDERSTAND THE ADJUSTMENT

With an ARM, ask how often the rate can change, how much it can change each time, and the lifetime cap. Make sure you could afford the payment at the cap, not just the starting rate.

**REAL TALK:** An ARM can make sense if you're confident you'll sell or refinance before it adjusts. Just don't count on rates falling. Plan for the worst case.

# DOCUMENTATION & APPRAISAL

*More is reviewed, and in more detail.*

Jumbo files usually go through **full documentation** and manual review. Expect an underwriter to look closely at your income, assets and the property itself.

### INCOME

Tax returns, W-2s and pay stubs. Self-employed borrowers usually need business returns too.

### ASSETS

Complete statements for every account you're using, including retirement and brokerage.

### LARGE DEPOSITS

Anything unusual needs a paper trail, like a bonus statement or sale proceeds.

### APPRAISAL

Higher-value homes have fewer comparable sales. Some loans require a second appraisal.

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**REAL TALK:** Unique or luxury homes can be tricky to appraise. Tell me early about acreage, waterfront or unusual features so we can plan for it.

# COMMON MISTAKES THAT DELAY APPROVAL

*Most of these are easy to fix ahead of time.*

**1 UNDERESTIMATING RESERVES**
Down payment alone isn't enough. Plan for months of reserves too.

**2 MOVING MONEY AROUND**
Consolidating accounts mid-process creates a trail to document.

**3 MISSING STATEMENT PAGES**
Every page of every account is reviewed.

**4 BIG PURCHASES BEFORE CLOSING**
Furniture or a car can change your ratios and reserves.

**5 OVERLOOKING THE APPRAISAL**
Unique homes may need extra time to appraise.

**6 CHOOSING AN ARM BLINDLY**
Know your adjustment caps before you commit.

**7 UNEXPLAINED DEPOSITS**
Large deposits need a source.

**8 STARTING TOO LATE**
Jumbo files take more time. Start early.

**REAL TALK:** Almost every one of these is avoidable with a 15-minute conversation before you apply. That's the cheapest time to fix a problem.

# ALTERNATIVES TO A JUMBO

*Sometimes the best jumbo is no jumbo.*

### A LARGER DOWN PAYMENT

Bring the loan under the conforming limit and use standard Fannie Mae or Freddie Mac pricing.

### A CONFORMING LOAN PLUS A SECOND

A first mortgage at the limit, plus a second loan or line of credit for the rest.

### NON-QM JUMBO

Self-employed? Bank statement or asset-based jumbo programs may fit better than full documentation.

### ASSET UTILIZATION

Significant savings but modest income? Your assets may help you qualify.

### SECOND HOMES AND LAKE HOUSES

Saratoga, Lake George and the Adirondacks draw a lot of second-home buyers. Jumbo loans can finance second homes too, usually with a larger down payment than a primary home.

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**GOOD TO KNOW:** I have separate guides on bank statement loans and asset utilization. Ask me for either.

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# DOCUMENT CHECKLIST

*Have these ready, and the process moves a lot faster.*

- [ ] Pay stubs covering the last 30 days
- [ ] W-2s and personal tax returns, last 2 years
- [ ] Business returns, if self-employed
- [ ] Bank statements, all pages, last 2 months
- [ ] Retirement and brokerage statements
- [ ] Paperwork for any large deposits
- [ ] Government-issued photo ID
- [ ] Mortgage statements for other properties you own
- [ ] Leases, if you own rentals
- [ ] Purchase contract, once you have one

Every situation is a little different. I'll give you the exact list for your scenario before you gather anything.




**BRIAN MARCHAND**

SR. LOAN CONSULTANT · NMLS #481563

(518) 396-7392 call or text

brian.marchand@naf.com

naf.com/brianmarchand

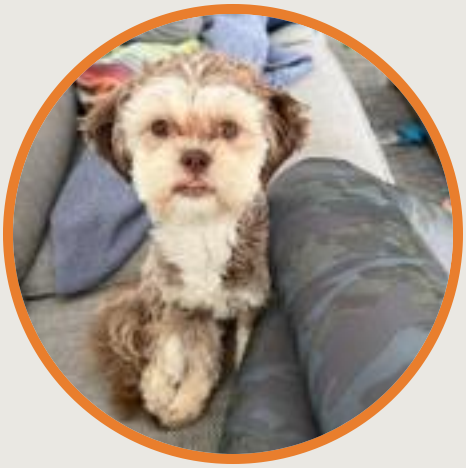

BOOK 15 MINUTES

EQUAL HOUSING OPPORTUNITY


**This guide is for educational purposes only and is not a loan commitment or guarantee of approval.** All loans are subject to credit, income, asset, property and appraisal approval; not all applicants will qualify. Jumbo loans are loan amounts above the FHFA conforming loan limit, which is $832,750 for a one-unit property in most areas in 2026. Jumbo credit, down payment, reserve, documentation and appraisal requirements are set by each lender or investor and vary by program. Interest-only and adjustable-rate options carry payment change risk. Examples are illustrations only and are not a rate quote or Loan Estimate. Program availability and guidelines are subject to change without notice. © 2026 New American Funding, LLC. NMLS #6606 (nmlsconsumeraccess.org). 1 MacArthur Place, Suite 800, Santa Ana, CA 92707 · newamericanfunding.com · (800) 450-2010. Licensed Mortgage Banker, NYS Department of Financial Services. Equal Housing Lender. October 2026.

# PENNY'S CORNER

*A few words from our Chief Belly-Rub Officer.*



## PENNY SAYS

CHIEF BELLY-RUB OFFICER

Bigger house, bigger loan, more rooms for me to inspect. Dad will compare jumbo against staying conforming so you pick the smartest path.

Have your reserves ready. Dad says jumbo lenders love savings. So do I. Mostly of the bacon variety.

## CONNECT WITH PENNY ON FACEBOOK

*Tips, updates and plenty of Penny.*

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