

## **Jumbo Loans**

With home values increasing all over Colorado, finding a conforming loan can become tricky. If the home you're after exceeds the limits the FHFA sets each year, a jumbo loan may be necessary to get you into the home of your dreams.

### **What Is a Jumbo Loan?**

A jumbo loan is a loan for a larger than the conforming loan limit. These homes are high-end homes that can be used for vacation properties, investments, or your primary residence.

As of now, the conforming loan limit in Summit County is \$647,200. However, that amount can change.

### **Who Can Get a Jumbo Loan?**

Jumbo loans have some of the most stringent lending requirements. Borrowers will need to have a credit score of at least 700, a low debt-to-income ratio, and considerable assets.

Borrowers will need a down payment of 10-20% of the home's purchase price and, in some cases, may need to have one year's worth of mortgage payments in an easy-to-access bank account.

### **When Is It a Good Idea To Get a Jumbo Loan?**

The main reason borrowers get a jumbo loan is that they are buying a luxury home that requires a loan larger than the current conforming loan limits.

Jumbo loans come with higher interest rates than conforming loans, so that is something to consider before moving forward.

If you'd like more information on the application and approval process of a jumbo loan, do not hesitate to contact us.