

Financial Insights

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Finance Your Dream Home With a Jumbo Mortgage

We all have dreams. We want to enjoy the prosperity and security that hard work and strong ethical principles can bring about. Thrivent Financial Bank can help you manage the financial aspects of attaining the American dream.

If your slice of heaven on earth includes an elegant home, you may be in the market for a jumbo mortgage—a mortgage that's bigger than the conventional conforming amount. The conforming limit is set by two large government-sponsored agencies, Fannie Mae and Freddie Mac, that purchase the bulk of U.S. residential mortgages from banks and other lenders. The conforming limit represents the maximum value of any individual mortgage they will purchase from a lender.

The conforming limit varies by location, but in most housing markets it's \$417,000. In Alaska, Guam, Hawaii and the U.S. Virgin Islands, it's \$625,500. Some areas are designated as high-cost areas by the Federal Housing Finance Agency, and they have higher conforming limits. See a table of Fannie Mae's

conforming mortgage limits at www.fanniemae.com/aboutfm/loanlimits.jhtml.^{*} All of these limits apply to single-family homes; limits are higher for multiple units.

What It Means to You

Interest rates for jumbo mortgages are usually higher than for conventional conforming loans. That's because jumbo mortgages are a higher risk for lenders. If a borrower defaults, it may be more difficult to sell an expensive home quickly for full price. Also, higher-end home prices are more subjective, and may be more vulnerable to market fluctuations.

Larger down payments are often required for a jumbo mortgage, too. In general, you can expect to need at least 20% and perhaps as much as 30% of the purchase price for a down payment. You may find that other lending criteria, such as your credit score and documented income, must measure up to higher standards, too.

Thrivent Financial Bank makes finding the right mortgage for your dream home easy. To learn more about our jumbo loan and apply today, visit Thriventbank.com/jumbo. Or speak with a Thrivent Financial Bank representative at **866-596-1501** for help deciding on the mortgage that's best for your situation.

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