



What the Mortgage Market Reads



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Six Months After Implementation of TRID, Mortgage Closing Times Starting to Improve

Closing times for purchase mortgages are starting to recover from delays tied to the TRID disclosure rule, according to results from the latest *Campbell/Inside Mortgage Finance HousingPulse Tracking Survey*.

The Consumer Financial Protection Bureau's final rule combining disclosure requirements of the Truth in Lending Act and the Real Estate Settlement Procedures Act took effect in early October. Average closing times for various mortgage types increased in the following months, though performance has improved recently, according to *HousingPulse*.

For example, the original closing time for purchase mortgages with a downpayment of at least 20 percent where the loan will be delivered to the government-sponsored enterprises was 39.8 days in March 2015, based on a three-month moving average. By February 2016, average original closing times on the loans had increased to 42.9 days.

Data from home sales in March showed the first decline since TRID took effect occurred on original closing times for GSE purchase mortgages with downpayments of at least 20 percent. Original closing times for the loans fell to an average of 42.3 days. Three other loan types – GSE loans with private mortgage insurance, bank portfolio loans and jumbo conventional mortgages – also showed declines in original closing times between February and March.

“Closings are going smooth and most of the lenders in my area have the new TRID program down and everything is working smoothly and on time,” said a real estate agent in Iowa.

Total average closing times including delays also declined for a number of mortgage types. On GSE mortgages with downpayments of at least 20 percent, the average closing time including delays has spanned from 45.6 days in March 2015 to 47.6 days in February to 46.8 days this March.

Most other loan types tracked by *HousingPulse* showed declined in average closing times including delays between February and March, save for mortgages insured by the Veterans Administration.

Lenders appear to have adjusted to TRID as the share of purchase mortgages that close on time has returned to levels seen before TRID for all loan types. For GSE mortgages with downpayments of at least 20 percent, 75.8 percent of loans closed on time, up from a TRID-era low of 69.6 per-

7910 Woodmont Avenue
Suite 1000
Bethesda, MD
20814-1709
Tel. (301) 951-1240
Fax (301) 656-1709
www.imfpubs.com

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cent in December.

In fact, the closing time performance in terms of the share of loans experiencing delays in March exceeded pre-TRID performance. In March 2015, 70.9 percent of GSE mortgages with downpayments of at least 20 percent closed on time.

A real estate agent in Virginia said lenders and title companies have adjusted to TRID requirements. “The best approach is to allow an extra week or 10 days to close if the lender suggests it,” the agent said. “And it is important to use experienced lenders, title companies and agents.” ♦