



What the Mortgage Market Reads



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Implementation of TRID Requirements Doesn't Appear to Have Had a Significant Impact on Closing Times

The Consumer Financial Protection Bureau's new integrated disclosure rule didn't cause a significant spike in delayed home sales in October, according to the latest *Campbell/Inside Mortgage Finance HousingPulse Tracking Survey*.

The Truth in Lending Act/Real Estate Settlement Procedures Act Integrated Disclosure rule took effect near the beginning of October. Many industry participants predicted that the new rule would disrupt mortgage closings.

"While there was apprehension about TRID, so far, the impacts are minor," said Tom Popik, research director of Campbell Surveys.

HousingPulse tracks the percent of home sales that close on time and the total average closing time for a variety of loan types. In the October data, there was no clear trend across loan types, though many of the sales weren't necessarily subject to the new TRID requirements.

For home sales that closed in October, FHA loans saw a slight increase in the share of mortgages that didn't close on time compared with September. In that same span, a larger share of Veterans Administration loans closed on time.

For government-sponsored enterprise loans, the trends were mixed. The share of GSE mortgages with downpayments of at least 20 percent that closed on time increased between September and October, while a smaller share of GSE mortgages with private mortgage insurance closed on time.

The total average closing time for most loan types stayed relatively level or showed only a slight increase between September and October. Home purchases with cash had a lower average closing time in that span and also had an increase in the share of sales that closed on time.

Popik noted that measuring the effects of TRID is still in the early stages as many more TRID-compliant transactions are scheduled to close this month. Officials at the National Association of Realtors said months of preparation and training appear to have helped limit closing delays.

Some real-estate agents that have closed sales subject to TRID said the process went smoothly. "We have two new TRID closings scheduled for

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late this month,” said an agent in Florida. “Both are already approved, and ready to close. If anything, TRID and CFPB hype have forced everyone to pay attention, and loans are getting done in record time.”

Some real-estate agents said that they’ve extended potential closing timelines due to the possibility of TRID-related delays. “Instead of 30 days to 45 days from contract to closing, selling agents are asking for at least 60 days until agents, lenders and attorneys get TRID under control,” said an agent in North Carolina.

Popik added that there have been some early complaints about rescheduled closings after minor changes to charges on closing documents. ♦