### **Housing News Update**

#### March 17, 2016



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### A Message from Jeffrey Chalmers:

"How long did your last closing take? Let me streamline your next one."

# Loan Closings Back to Pre-TRID Timelines

Ellie Mae's Origination Insight Report published on Wednesday by Ellie Mae shows there was a sharp decline in the time it took to close a loan in February. Average closing timelines rose with the introduction of new Truthin-Lending (TRID) disclosure rules for loans applied for on or after October 3. It took an average of three or four days additional days to take a loan from application to closing for all loans that closed in November than it did in October and those timelines remained elevated through January. The drop in February brings most closing days back to levels that prevailed before TRID became an issue.

Ellie Mae reports that the time to close all loans dropped from 50 days in January to 46 in February, the shortest timeframe since last May. The average time to close a purchase decreased from 51 days in January to 48 days in February, while time to close a refinance decreased from 48 days to 44, the shortest period in exactly a year. FHA and VA loans also had shorter timelines with the average for FHA decreasing by four days to 47 and the VA shortened from 53 to 50 days.

Forty-six percent of loans closed in February were refinances, down one percentage point from January. Conventional loans had a 65 percent share of all loans, FHA had a 22 percent share, and VA loans 9 percent.

Ellie Mae said **closing rates** across loan types were the **highest** since they began tracking them in 2011. The average closing rate for all loans increased 1.5 percentage points to 69.9 percent with 66 percent of refinances closing and 74 percent of purchase loans. Closing rates for conventional purchase loans have increased nearly every month for the last year and were at 74.3 percent in February compared to 68.8 percent in February 2015.

"For the first time since October 2015, we're seeing a substantial decrease in days to close from 50 days in January to 46 days in February," said Jonathan Corr, president and CEO of Ellie Mae. "This could be due to lenders becoming more familiar with the new loan estimate and closing disclosure forms and business process around Know Before You Owe. We're also seeing closing rates continue their upswing, increasing one percentage point to 69 percent. This is the highest we've seen closing rates since we began tracking data in August of 2011."

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## National Average Mortgage Rates



### **Recent Housing Data**

	Value	Change
Apr 24	196.7	-2.67%
Mar	1.46M	-3.95%
Mar	1.32M	-13.15%
Mar	693K	+4.68%
Feb	75.6	+1.75%
Feb	3.97M	-0.75%
	Mar Mar Mar Feb	Apr 24 196.7   Mar 1.46M   Mar 1.32M   Mar 693K

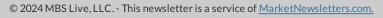
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The Origination Insight Report mines its application data from a sampling of approximately 75 percent of all mortgage 51 +6.25% applications that were initiated on its mortgage management system. To determine closing rates Ellie Mae reviews a sample of loan applications initiated 90 days earlier, in this case in November 2015.

## Because Integrity Matters<sup>™</sup>

Jeffrey has spent the last three decades perfecting an Honest, Open and Transparent (HOT<sup>™</sup>) loan and closing process that is laser-focused on enhancing the consumer mortgage experience. By combining old-school, trustworthy customer service with real-time, mobile-friendly technology, he has successfully built thousands of loyal, raving fans.

**Jeffrey Chalmers** 



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