

THE FEDERAL SAVINGS BANK



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A Message from Ted Rood:

"As expected, TRID is delaying closings and raising loan costs. Go figure."

TRID Impact Evident in Closing Times

After it jumped up by three full days in November the average time to close a first mortgage loan **stabilized** in December at 49 days. The November increase had been attributed to unfamiliarity with the new Truth in Lending Disclosure Rule (TRID) which went into effect for loans for which applications were received after October 3.

Ellie Mae's *Origination Insight Report* showed that **purchase** mortgage closings did take one day longer, **50 days**, to close in December but that was offset by a drop in closing times for refinances from 49 to 47 days. The average time to close FHA and conventional loans remained largely unchanged at 49 days, while for VA loans it increased from 50 to 52 days.

Jonathan Corr, president and CEO of Ellie Mae said that the company's **customers are certainly impacted by TRID**. He commented, "While the time to close loans remained consistent from November, the 49-day cycle is still a week longer than the time to close at this same time last year."

Purchase loans represented **56 percent** of all closed loans while refinances as a percentage of lenders' overall loan volume decreased for the first time in seven months from 46 percent in November to 43 percent in December.

Conventional loans made up 65 percent of loans closed in December and FHA loans 22 percent. VA loans had a 9 percent share. The purchase share of conventional loans rose from 43 to 45 percent while the purchase shares of FHA and VA loans rose from 73 to 79 percent and 67 to 74 percent respectively.

Ellie Mae's data also shows that the **average FICO** score on closed loans **increased** for the first time since May from 720 in November to 722 in December, while the average FHA refinance FICO score increased to 651, up from 648 in November.

Sixty-seven percent of all loans applied for over a 90 day cycle closed in December, down one point from November when the closing rate was the highest of 2015. **Closing rates** on refinances were the highest of the year at 63 percent while purchase closings eased back 1 point to 71 percent. The lowest closing rate was for VA refinances at 43.5 percent.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00
Freddie Mac			
30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

Ellie Mae takes its application data from approximately a two-thirds sample of all mortgage applications originated on its mortgage management software.

	Value	Change
Builder Confidence	51	+6.25%

Responsive service, experienced expertise

I've dedicated my 22 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

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