MoFoMoFi Mortgage Finance Resource Center

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ABA Survey Quantifies TRID Costs, Delays

By Ryan Richardson

On March 1, the American Bankers Association published results of its 2016 TILA-RESPA Integrated Disclosures (TRID) Survey. The Survey aggregates data gathered between February 1, 2016 and February 17, 2016, from 548 of the ABA's member banks. The Survey questions focused on costs and related effects of the CFPB's TRID rule, which became effective in October 2015. Ninety-four percent (94%) of respondents had less than $10 billion in assets; 72% had less than $1 billion in assets.

Significant findings of the Survey include:

- 25% of respondents have increased the total cost to the consumer to obtain a loan since the TRID rule became effective;
- 50% of respondents have hired or plan to hire additional staff to accommodate the demands of the TRID rule;
- 67% of respondents have incurred increased legal and/or consulting costs because of the TRID rule;
- 72% of respondents are still waiting for updates from their loan origination system (LOS) vendors to address glitches or other problems arising from implementation of the TRID rule;
- 93% of respondents have observed increased front-boarding and loan processing times since the TRID rule became effective, with most reporting delays of 1 to 2 days; and
- On average, respondents have experienced an increase in compliance and due diligence expenses of $300 per transaction, with some banks reporting increases as high as $1,000 per transaction.

In addition to these results relating to costs and timing, the Survey also reports that 75% of respondents have eliminated one or more product offerings because of the TRID rule. The most frequently eliminated products are construction loans, balloon loans, adjustable-rate mortgages, home-equity loans, and loans with payment frequency options.

Click here to link to the ABA press release announcing the Survey. Click here to link to the slide deck of the Survey results.