

TRID: How To Avoid Closing Delays

Tips for the Seller

Manage expectations:

Encourage sellers to do pre-listing inspections (home and termite). These inspections help sellers anticipate buyer(s) potential requests for repairs before the contract is signed; eliminates repair request surprises.

Choose services that lenders will work with:

A buyer's offer should contain title and escrow services that are SOC 1 and SOC 2 certified (verify via an Attestation Letter).

45 is the new 30:

Give all parties adequate time to navigate and satisfy TRID timeframes. A 45-day close may be more realistic than 30, and will likely provide a smoother transaction.

Don't assume ... verify:

Verify buyer(s) tasks are being completed in a timely manner:

- Has the Loan Estimate (LE) been issued to buyer by lender within 3 business days of buyer's application?
🚩 If you haven't received -- TAKE ACTION
- Has buyer reviewed and provided their lender with the Intent to Proceed (ITP)?
- Has the appraisal been requested/scheduled?
- Have all credits been negotiated and approved by lender?
🚩 If the answer is "no," beware: Last-minute credits will delay closing
- Has the buyer received final loan approval 1 week prior to close?
- Has a Closing Disclosure (CD) been issued 3 business days prior to close/consummation?

Coach your seller to be flexible and aware of the timelines.

Tips for the Buyer(s)

Give your buyer(s) the competitive advantage:

Encourage buyer(s) to start the loan-approval process ASAP. A pre-approved loan is more important than ever, and can be a strong negotiating tool.

Choose services that lenders will work with:

A buyer's offer should contain title and escrow services that are SOC 1 and SOC 2 certified (verify via an Attestation Letter). This will assure buyer(s) a stronger negotiation position.

45 is the new 30:

Give all parties adequate time to navigate and satisfy TRID timeframes. A 45-day close may be more realistic than 30, and will likely provide a smoother transaction.

Don't assume ... verify:

Verify buyer(s) tasks are being completed in a timely manner:

- Has the Loan Estimate (LE) been issued to buyer by lender within 3 business days of application?
🚩 If you haven't received -- TAKE ACTION
- Has buyer reviewed and provided their lender with the Intent to Proceed (ITP)?
- Has the appraisal been requested/scheduled?
- Have all credits been negotiated and approved by lender?
🚩 If the answer is "no," beware: Last-minute credits will delay closing
- Has the buyer received final loan approval 1 week prior to close?
- Have the loan docs been ordered 5 business days prior to close?
🚩 DO NOT COUNT Sundays and holidays
- Has a Closing Disclosure (CD) been received by buyer 3 business days prior to close?
🚩 NO EXCEPTIONS: Buyer **MUST** have 3 business days to review their CD before closing/consummation.

Set realistic goals/timelines:

Completing inspections within 10 days of acceptance of the Residential Purchase Agreement (RPA), while preserving the 17-day contingency, allows buyer(s) time for negotiations. Delays in these negotiations **WILL** lead to lender delays.

Are you REALLY ready for closing?

Tying up loose ends 7-10 days prior to closing will help to avoid delays. Complete walk-through at least 1 week prior to close. Last-minute credits/negotiations **WILL** delay closing.

Inform your buyer that a change in lender (mid-transaction) WILL cause delays in issuing mandatory TRID disclosures, putting their deposit at risk.