

Section A: General Questions

QA1. What is LSM’s policy for investment loans not subject to Regulation Z (loans exempt from Regulation Z pursuant to Supplement I of section 1026.3 of Regulation Z – non-owner occupied rental property)? Will these investment loans need to comply with TRID Requirements?

LSM requires that some loans secured by investment properties must provide TRID disclosures. If any personal debts will be paid through the transaction, TRID disclosures are required however, no doc/DSCR loans may never have personal debts paid (business use only) and must never have TRID disclosures.

QA2. Will LSM grant exceptions to the TRID disclosure timing requirements?

No exceptions will be made by LSM.

QA3. Will LSM Correspondent accept the alternate LE and CD forms?

Yes. There are two versions of both the LE and the CD; and CFPB rules require that version use be consistent. This means that if the originator uses the alternate LE, the originator must use the alternate CD. Please follow TRID requirements as to when the alternate form may be used.

QA4. Would LSM accept loan packages with a Settlement Service Provider List issued for Service Providers with the category that provider is for (i.e. Escrow-Settlement Agent) without a breakdown for specific services provided (i.e. Closing Fee) and no fee amount listed?

LSM does not have overlays on the Settlement Provider List.

QA5. Does LSM have specific requirements regarding the Assumption Check Boxes?

The Assumption Check Box on the LE and CD should be marked “yes” for all NanQ Loan Programs.

QA6. Is there an allowable tolerance on the TIP (Total Interest Percentage) calculation?

No. The TIP is not subject to its own tolerance. However, the annual percentage rate tolerance in Section 1026.22 continues to apply to the APR and all affected disclosures.

QA7. Should the prepaid interest be included in the TIP (Total Interest Percentage) calculation when there is a lender or seller credit for the prepaid interest?

No. The TIP calculation as set forth in Section 1026.38(o)(5) includes the total amount of interest that **the consumer will pay over the life of the loan**, expressed as a percentage of the amount of credit extended.

Note: When calculating the total interest percentage, the creditor assumes that the consumer will make each payment in full and on time, and will not make any additional payments.

QA8. Do Correspondents need to provide proof of delivery for the Home Loan Toolkit?

Yes. For purchase transactions, lenders must include proof that the **Home Loan Toolkit** was delivered within three days of application in the Loan File delivered to LSM. Examples of acceptable proof of delivery include:

- Acknowledgement of receipt from the borrower, within three days of the application
- Proof of electronic delivery, such as a system log or copy of an email sent to the borrower with the document attached
- Cover letter sent with the initial disclosures, dated within three days of the application, indicating that the Toolkit was included

QA9. Does LSM require disclosure of Partial Payments on the Mortgage Transfer Notice?

The Mortgage Transfer Notice under Reg Z §1026.39 applies to the “covered person” that becomes the owner of an existing mortgage, which is LSM. LSM does not require correspondent lenders to provide this notice. However, Correspondents must continue to provide the Servicing Transfer Notice (hello/goodbye letter) as required under with Reg X §1024.33.

QA10: If monthly MI is not disclosed initially, can you create a change in circumstance and add the MI?

If MI is not disclosed initially, the loan is not eligible for purchase by LSM. Change in circumstances is a legally defined term in Section 1026.19(e)(iv) that permits issuing a revised Loan Estimate for purposes of determining whether fees were disclosed in good faith on the initial LE.

QA11: Can the standard form be used for refinance transactions?

No. The standard form is to be used for purchase transactions. The alternate form is to be used for refinance transactions.

Note: Due to UCD, the GSEs will require use of the alternative form for transactions without sellers and use of the standard form for transactions with sellers.

QA12: Do you have any specific guidance for lender and seller credits? Do you prefer itemized or shown as a lump sum?

Credits are either specific or general and should be disclosed as such and displayed as directed by the law. Any specific credits (seller or lender) should be displayed on page 2 in either the Seller or “Paid by Others” column. General credits should be displayed in Line (h)(3) if a lender credit or on page 3 of the CD if a seller credit.

Specific and general lender credits are defined in the Commentary to Section 1026.19(e)(3)(i)-5 and the Commentary to Section 1026.38(j)(2)(v) describes general vs. specific seller credits.

QA13: If there are errors on the LE or CD, are manual/handwritten corrections acceptable?

Loan Estimate (LE)/ Closing Disclosure (CD): Handwritten changes to any numeric value on the LE or CD are not accepted.

QA14: If the initial LE does not show the lender credit, can we add (increase) the lender credit on revised LE or CD?

Lender credits can always increase. They can only be decreased with a valid Change in Circumstance (CIC).

Section B: Delivery of the LE and CD

QB1. Will LSM require documentation in the closed loan file regarding delivery timing of the Loan Estimate (LE) and the Closing Disclosure (CD)?

Yes. LSM requires evidence that the LE and CD were delivered timely in accordance with TRID Requirements.

QB2. Will LSM accept a hand-signed and dated document as confirmation (in the case of hand delivery)?

Yes.

QB3. Will LSM accept a Processor’s Certification stating they confirmed with the borrower that the document has been received?

No. This is not sufficient as evidence of compliance.

QB4. Will LSM accept a confirmation through the LOS disclosure electronic tracking console that evidences that the borrower has received and opened the document?

Yes.

Section C: Loan Estimate

QC1. How will LSM determine that the LE was provided to the consumer in accordance with the TRID regulation?

Lender must deliver the LE to the borrower(s) within 3 business days of receiving an application and not less than seven business days from consummation. LSM will use the initial application date. The consummation date is defined as the date the consumer becomes contractually obligated on the loan. Therefore, LSM will use the latest signature date on the Note and/or Mortgage to determine the consummation date.

QC2. If the borrower chooses a service provider that is not a provider on our list, are we required to re-disclose new fees to the borrower through the Loan Estimate as a valid change of circumstance or is it our choice to disclose?

It is the Correspondent’s choice to re-disclose. Service providers that are “off list” are “no tolerance,” thus, no re-disclosure is needed to re-baseline, but re-disclosure is permitted.

QC3. Prior to issuance of the CD, if changes are made to a loan’s fees that impact the 10% tolerance bucket, yet the 10% tolerance has not been exceeded, will LSM require evidence of the fee change to borrower within 3 days, even though no revised LE is allowed to go out (per CFPB guidance)?

LSM will not require revised LEs for charges below the 10% threshold.

QC4. What information must be completed on the Loan Estimate (LE)?

Correspondent must provide a **fully completed** CFPB-compliant LE on all loans subject to TRID.

Examples of incomplete information include:

- Missing Loan ID#
- Incomplete checkboxes in the **Other Considerations** section, specifically the **Assumption** and **Servicing** fields
- **Projected Payments** section must include the appropriate number of columns based on the loan type (e.g. four columns for indexed ARMs, more than one column for Interest Only, etc.)

This document is for general informational purposes and does not contain or convey legal advice. The information presented should not be used or relied upon in regard to any particular facts or circumstances without first consulting legal counsel. Any questions pertaining to this information should be directed to your legal counsel. LSM reserves the right to decline any loan that does not meet requirements.

QC5. When is it okay to adjust the lender credit on the LE?

The lender credit is a zero tolerance charge. As such, it needs to be treated as a charge that can change only because of a valid change in circumstance that impacts that charge.

QC6. Are HOA monthly dues required to be disclosed in the Projected Payments Table on the LE and CD as a non-escrowed item?

Yes. These values are included in the calculation of "Estimated Taxes, Insurance & Assessments" and are disclosed as part of that value. The calculation for that particular disclosure is prescribed by law to include values that are related to the credit transaction, and home owner's association dues are identified by name as a value included as part of the calculation.

QC7. How is Single Paid MI required to be listed on the Loan Estimate?

Single paid MI that is not escrowed and that does not represent the prepayment of a recurring periodic payment is disclosed in Category B (Services You Cannot Shop For). Per the TRID Guides to Forms: **Services You Cannot Shop For** might include an upfront mortgage insurance fee (unless the fee is a prepayment of future premiums or a payment into an escrow account). (Comment 37(f)(2)-2). Prepaid items (Category F) include interest due at consummation and certain periodic charges that are required to be paid at consummation. Therefore, since Single Paid MI is not escrowed and is not a periodic charge, it should be listed as Services You Cannot Shop For.

QC8. Can the TIP (Total Interest Percentage) be rounded on the Loan Estimate and Closing Disclosure?

The TIP cannot be rounded (to the second decimal point) and must be disclosed to either the second or third decimal point. If the amount is a whole number, it must be truncated at the decimal point. If the percentage contains more than three decimal points, it must be rounded to the third decimal point. For example, 77.0056 is disclosed as "77.00%" or "77.006." Additionally, a rate of 77.0000% is disclosed as "77%." LSM does not have an overlay.

QC9. Is it acceptable to make alterations to the LE or CD?

No. Only those alterations identified in the Regulation (1026.37(o) and 1026.38(t)) are allowed. LSM will not accept loans with any unauthorized changes to the model TRID forms, including:

- "Final" stamps
- Written word "final" (or "estimate" except as authorized)
- True and Certified stamps
- Omissions from required disclosures to the LE or CD, such as the appraisal notice or servicing transfer notice
- Pen and Ink changes

Administrative information is permitted to be included at the bottom of the page to the extent it does not affect the format of the disclosure. 1026.38(t)(5)(iii)

QC10. Does the Servicing Disclosure need to be provided on the Loan Estimate?

Yes, the Servicing Disclosure must be provided on the Loan Estimate. 1026.37(m)(6); 1026.37(o)

QC11. Can you provide best practices when completing the LE?

Ensure compliance with the following existing LE requirements to avoid processing delays and possible inability for LSM to purchase the loan:

- Complete all required elements of the LE, including but not limited to:
 - Borrower information
 - Loan terms
 - Rate lock date and time (including time zone)

Note: When this information is missing, the loan is **not eligible for purchase by LSM**
 - **Comparisons** information on page 3, including “*In 5 Years*,” “*Annual Percentage Rate*,” and “*Total Interest Percentage (TIP)*”

Note: When the “*In 5 Years*” disclosure is missing, the loan is **not eligible for purchase by LSM**
 - **Other Considerations** on page 3, including “*Appraisal*,” “*Assumption*,” “*Homeowner’s Insurance*,” “*Late Payment*,” “*Refinance*,” “*Liability after Foreclosure*” (for refinance transactions), and “*Servicing*”

Note: When the “*Appraisal*” and “*Servicing*” information is missing, the loan is **not eligible for purchase by LSM**
- Include one copy of each unique LE provided to borrower in the Closed Loan File delivered to LSM; do not include multiple copies of any one LE
- Include a copy of any change in circumstance requiring re-disclosure of the LE in the Closed Loan File delivered to LSM.

QC12: Does an LE have to be received by the consumer before a second LE is sent? For example, if an initial LE is sent, then the borrowers change the loan amount within 3 days of the first LE being sent and we do not have confirmation of receipt for the first LE (relying on mailbox rule); can the second LE be sent anyway?

There is no requirement that a consumer receive an LE before a subsequent LE is sent. Nevertheless, the consumer must receive the last Revised LE not less than four business days before consummation. 12 C.F.R. 1026.37(e)(4)(ii)

Section D: Closing Disclosure

QD1. In the situation where a revised Closing Disclosure is issued, will you require a Change of Circumstance Form to accompany the revised Closing Disclosure?

Although a specific Change of Circumstance form is not required, we do require documentation in the file to support that a Changed Circumstance event occurred. The preferred option is to complete a COC form.

QD2. In purchase money transactions only, where there are multiple borrowers, will LSM require all borrowers acknowledge receipt of the Closing Disclosure at least three business days prior to closing or is it sufficient for the primary borrower to acknowledge receipt?

LSM requires that each borrower execute their own Closing Disclosure (this is an overlay). In addition, LSM will validate that all individuals required to execute the Closing Disclosure, based on title vesting and/or ownership rights afforded under state law, has signed the Closing Disclosure at the time of consummation.

QD3. As the only signature permitted by the rule is an acknowledgment of receipt of the CD, is an electronic signature acceptable, dated at receipt, or does LSM expect an additional copy to be delivered and executed with the loan documents?

An electronic signature is acceptable on any up-front disclosures. LSM requires a wet signature on all final documents.

QD4. Can an originator make changes to the CD for acceptable Change in Circumstance Events if the loan closes more than four days from the original CD being issued?

Originators can re-baseline their costs provided they meet the timing requirements required by TRID Rules and the language contained in the Commentary addressing use of the CD to re-baseline.

QD5. For purchase transactions where there is a non-borrowing purchaser (meaning an additional party is joining the contract, mortgage and warranty deed but is not on the note), are they required to sign the final CD?

No. LSM does not require that the final CD be signed and dated at consummation by a non-borrowing purchaser. The CD Signature requirements have been updated to indicate that non-borrower signature is required on rescindable transactions only and is no longer required on non-rescindable transactions. In addition:

- All signatures must be original (“wet”) signatures
- Facsimile and electronic signatures are not allowed
- Inconsistent pen and ink changes are not allowed

QD6. Can seller obligated fees be disclosed on the borrower CD or if they are on the seller disclosure that the title company prepares, is that sufficient?

Providing a separate Seller CD identifying the seller fees complies with the Regulation.

QD7. Does the Correspondent need to split out cost to cure from the lender credits on the CD?

CFPB provides the following direction for disclosing credits that are restitution; “When the increase in Total Closing Costs exceeds the legal limits, disclose a statement that an increase in closing costs exceeds the legal limits by the dollar amount of the excess in the **Did this change?** column. (§ 1026.38(i)(1)(iii)(A)(3)) A statement directing the consumer to the **Lender Credit** on page 2 must also be included if a credit to the consumer at closing for the excess amount is provided by the creditor. (Comment 38(i)(1)(iii)(A)-3).” A sample document is provided on model form [H-25F](#).

QD8. Is Lender Paid MI required to be listed on the Closing Disclosure?

No. Assuming the cost of Lender Paid MI is passed on to the consumer in the form of the interest rate, rather than a charge, Lender Paid MI is not required to be listed on the CD.

QD9. When is the seller CD required?

The Settlement Agent is obligated to provide a Seller CD whenever a seller is involved in the transaction. In all instances when the Settlement Agent is obligated to provide a Seller CD, LSM requires that a copy of the CD be included in the file.

QD10. If no escrow reserves are being collected for monthly MI, should Section G line 02- Mortgage Insurance on page 2 of the Closing Disclosure be left blank or list the payment amount with zero number of months?

Leave it blank. Pursuant to § 1026.37(g)(3), each periodic charge to be included in the escrow or reserve account must be itemized under the “Initial Escrow Payment at Closing” subheading, with a relevant label, monthly payment amount, and number of months expected to be collected at consummation. If an item described in § 1026.37(g)(3)(i) through (iii) is not charged to the consumer, **the monthly payment amount and time period used in the labels are left blank.** Therefore, line G02 should be left blank when no escrow reserves are collected for Mortgage Insurance. Note: however, that modification of the form is not permitted – meaning that the lender must not remove the hardcoded identification of “Homeowners Insurance,” “Mortgage Insurance” and “Property Taxes” from the form. Rather, the lender simply leaves the values for “per month for” and “mo.” blank.

QD11. Can the TIP (Total Interest Percentage) be rounded on the Loan Estimate and Closing Disclosure?

The TIP cannot be rounded (to the second decimal point) and must be disclosed to either the second or third decimal point. If the amount is a whole number, it must be truncated at the decimal point. If the percentage contains more than three decimal points, it must be rounded to the third decimal point. For example, 77.0056 is disclosed as “77.00%” or “77.006.” Additionally, a rate of 77.0000% is disclosed as “77%.” LSM does not have an overlay.

QD12. Is the Cash-to-Close column on LE required to match exactly the Cash-to-Close Column on the CD?

Yes. Section 1026.38(e)(5)(i) instructs the creditor to populate the Calculating Cash to Close table on page 3 of the standard form CD with the estimated cash to close that was disclosed on the LE under Section 1026.37(h)(2)(iv). Accordingly, the value populated in the Calculating Cash to Close table on page 3 of the CD is populated with the value as disclosed on the last revised LE and those values must match. LSM does not have an overlay.

QD13. Is it acceptable to make alterations to the LE or CD?

No. Only those alterations identified in the Regulation (1026.37(o) and 1026.38(t)) are allowed. LSM will not accept loans with any unauthorized changes to the model TRID forms, including:

- "Final" stamps
- Written word "final" (or "estimate" except as authorized)
- True and Certified stamps
- Omissions from required disclosures to the LE or CD, such as the appraisal notice or servicing transfer notice
- Pen and Ink changes

Administrative information is permitted to be included at the bottom of the page to the extent it does not affect the format of the disclosure. 1026.38(t)(5)(iii)

QD14. Can you provide best practices when completing the CD?

Ensure compliance with the following existing CD requirements to avoid processing delays and possible inability for LSM to purchase the loan:

- Provide a fully completed CFPB-compliant CD on all loans
- Do not modify the model form including “Final” or “True and Certified” stamps, pen and ink changes or removal of columns
- Ensure the loan ID disclosed on the final CD is the same as the loan ID on the final LE
Note: CD with an inconsistent loan ID will require a corrected CD within the timing requirements prescribed by the CFPB prior to purchase by LSM
- Ensure the CD issue date and consummation date are accurately reflected, and post-consummation CDs dates are accurate. For example, when a post-consummation CD is required, the **Date Issued** should be the post-consummation date on which the form is created but the **Closing Date** and **Disbursement Date** should reflect the actual closing and disbursement dates
Note: The Closing Date should be the same as the consummation date on the post consummation CD
- Complete each section under **Loan Disclosure** on page 4 (“Assumption,” “Demand Feature,” “Negative Amortization,” “Partial Payments,” and “Security Interest”)
Note: CDs with missing or incorrect disclosures will require, when permitted, a corrective CD within the timing requirements prescribed by the CFPB prior to purchase
- For changes in the Loan Amount and/or P&I payment from the Final LE to the CD, include a copy of any change in circumstance or ensure that question #20 on the LSM Funding Request Form is completed to indicate if the change was borrower initiated or a valid changed circumstance
- Accurately calculate and disclose the Total Interest Percentage (TIP) on page 5
- Include and complete each section under Other Disclosures on Page 5 including “Appraisal,” “Contract Details,” “Liability after Foreclosure,” “Refinance,” and “Tax Deductions”
- Ensure each borrower required to execute the CD has signed
- Do not include multiple copies of any one CD in the loan file delivered to LSM

QD15. How should Homeowners Association dues be disclosed?

Non-escrowed property costs such as Homeowners Association (HOA) dues or other related property assessments must be disclosed in both:

- **Estimated Taxes, Insurance & Assessments** section on Page 1 of the CD as “Other” along with a description, and
- **Escrow Account – Escrow** table on Page 4 of the CD in “Non-Escrowed Property Costs over Year 1” section

Loans received without escrowed or non-escrowed costs disclosed on Page 4 **are not eligible for purchase by LSM.** Loans where the Non-Escrowed Property Costs Over 1 Year on Page 4 that are not carried over to Estimated Taxes, Insurance and Assessments in Projected Payments table on Page 1 are also not eligible for purchase by LSM.

QD16. Does LSM have specific requirement for Partial Payments on the Closing Disclosure?

The Partial Payments section of the Closing Disclosure should be completed in accordance with your partial payment requirements.

QD17. Where should the UFMIP be shown on the Final CD?

The UFMIP should appear on Page 2 of the CD only in Services You Cannot Shop For as a “Did Not Shop” fee and should not be reflected in the Cash to Close table as “Closing Costs Financed (Paid from Loan Amount).” Financed closing costs will effectively only occur when the loan amount exceeds payoffs, which in a purchase money situation is rare. The Closing Costs Financed will never be utilized for a purchase money loan where the loan amount is less than the payoffs (sale price). Regulation citation(s): 12 C.F.R. 1026.38(i)(9)(ii)-1; 12 C.F.R. 1026.38(i)(3)

QD18. Where should UFMIP refunds be shown on the Final CD?

If using the standard form, Section L in Borrower’s Summaries of Transaction. If using the alternate form, refunds may be shown in the Payoffs and Payments table. Otherwise, LSM would expect to see them on an addendum.

QD19. Can you use the initial CD to disclose the rate lock if locked on same day?

No. The loan must be locked and an LE provided at least one day before the CD is provided. Keep in mind that the revised LE must be received at least four business days before consummation, and the CD must be received at least three business days before consummation.

Revised LE requirement to send an LE for a lock: 12 C.F.R. 1026.19(e)(3)(iv)(D)

Prohibition on sending an LE and CD on the same day: 12 C.F.R. 1026.19(e)(4)(ii)

QD20: In regard to the CD Black Hole¹, if we have made a baseline change and disclosed the CD with those changes and then the loan is delayed, are those baseline changes no longer valid and will it go back to the previous (initial) CD?

¹*Black hole refers to any period of time after you provide the CD but which falls outside the period before consummation where the Regulation permits use of a CD to rebaseline.*

The rebaselining period is always measured between the date of the changed circumstance and the date of consummation. The process should be: (i) a valid COC occurs; (ii) provide corrected, rebaselined CD within three general business days of that date; (iii) ensure that the date that the CD is provided is within four specific business days of consummation. At the time the lender sends the rebaselined CD, the lender must have a reasonable belief that the loan will close according to this timeline. If another event occurs such that the closing will be further delayed, such further delay does not make the prior rebaseline ineffective or illegal. However, remember that the burden is on the lender to prove that it had a reasonable belief that the loan would close within the appropriate timeline.

Lock extensions are a valid CIC; however, any CD used to rebaseline for this fee must fall within the timeline prescribed by the Regulation.

The timeline for CD rebaselining is set forth in the Commentary: 12 C.F.R. Off. Staff Comm. 1026.19(e)(4)(ii) -1.

QD21: Once an Initial CD goes out and you need to extend a lock; do you need a change of circumstance for the CD and can you charge the extension on the CD?

Yes, a lender may utilize a CD to rebaseline for a lock extension fee, if the lender will close within the timeline prescribed by the law. 12 C.F.R. Off. Staff Comm. 1026.19(e)(v)(ii)-1

QD22: Who should be listed as payee on the Closing Disclosures at consummation if the payee is not known?

Lenders must complete the CD based on the best information reasonably available. If the lender will not know the name of the ultimate payee (i.e. a tax service fee that is chosen by the servicer), then an acceptable disclosure could be: “To be determined (TBD) by Servicer” or “Servicer will determine”. It is not acceptable however, to identify the lender or LSM as the payee for these third party services.

QD23: Where should proceeds from a 2nd loan be shown on the CD?

It is not necessary to list proceeds from a 2nd mortgage on the CD. If lender chooses to disclose the use of these funds to offset closing costs, we would expect to see them as follows:

- Standard form: Section L in Borrower’s Summaries of Transaction
- Alternate form: Payoffs and Payments table

Otherwise, LSM would expect to see them on an addendum.

QD24: In Category F “Prepays”, is the number of months required?

Yes, there should be a time period present (i.e. number of months) for charges in this category even if the number is not a whole number. Zero months is not a valid time period.

QD25: Does a Home Equity loan need a separate CD?

If there are two loans being originated – 1st lien and Home Equity loan, they should be shown as two separate transactions with separate disclosures.

Note: Home Equity Lines of Credit (HELOCs) are not covered by TRID and will not receive an LE or CD.

QD26: Can you provide guidance on the appropriate number of columns for the Projected Payments section of the CD?

Projected Payments section must include the appropriate number of columns based on the loan type (e.g. four columns for indexed ARMs, more than one column for Interest Only, etc.).

QD27: Where should the funds that a consumer brings to closing appear on the CD? Can a lender correct this amount with a post-consummation CD?

LSM will generally accept post-consummation CDs when appropriately issued as a cure or correction of an error. LSM will not accept loans where, on the post-consummation CD, the lender re-discloses the funds the consumer brought to closing as part of the Deposit row in the Cash to Close table on page 3 of the CD.

- This position applies to all loan types (purchase money, refinance, home equity) closed on the standard form (the Deposit disclosure does not appear on the alternative form)
- When the transaction does not have a seller, display “\$0” in the Deposit row
- For purchase money loans, the value displayed in the Deposit row is limited to the amount in escrow according to the agreement with the seller and should not be used to reflect the movement of funds into escrow for closing purposes
- LSM will accept a post consummation CD with the funds to close listed in Section L in Borrower’s Summaries of Transaction on the standard CD, or in the Payoffs and Payments on the alternative CD

Section E: Waiting Period**QE1. Are re-disclosure and a new 3 day waiting period required if the APR increases?**

The existing rules in Regulation Z regarding APR accuracy have not changed. If an APR increases out of tolerance, the originator must re-disclose and provide a new three day waiting period.

QE2. A file is re-disclosed due to a decrease in the finance charge. The APR is still within tolerance. The LO sends a re-disclosed CD to the customer. Does this file have to wait 3 business days before closing due to the simple act of sending a non-required CD in the disclosure package?

Informational CDs that are generated do not require an additional three day waiting period.