



September 15, 2016  
TRID FAQ #13

**Q: What causes the 3 business day waiting period from receipt of the initial CD to consummation/closing to restart?**

A: There are three reasons for the 3 business day waiting period to restart:

**1. The APR increased/decreased over tolerance**

**Note:** The APR decreasing over tolerance does not trigger a new waiting period if: 1) the finance charge increased by no more than \$100, or 2) the APR decrease is solely due to overstated finance charges. For example, if the APR decreased over tolerance because the discount points were removed, this decrease was only due to the discount points, which is a finance charge, so a new 3-day waiting period is not required.

**Example:** The APR decreasing while the finance charge increases over \$100 could occur when the loan term changes from 15 year to 30 year and when a low loan amount is increased to a higher loan amount. ComplianceEase will test this based on the information provided: "Disclosed Finance Charge" and the newly calculated finance charge.

**2. The loan product changes**

**Note:** If the "Product" field at the top of page 1 of the CD changes, this restarts the waiting period.

**Examples:** 1) If the Product changes from "Fixed Rate" to a "5/1 Adjustable Rate," the waiting period must restart. 2) If the Product changes from "5/1 Adjustable Rate" to "7/1 Adjustable Rate," the Product field has changed, so the waiting period must restart. 3) If the Product is "Fixed Rate" and the Loan Term changes from 30 year to 15 year, this does not restart the waiting period because the Product did not change.

**3. Addition of a prepayment penalty (PPP) (However, please note: CMG does purchase loans with PPPs)**

*Please contact your Correspondent National Sales Manager  
or Correspondent Liaison with any questions.*



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