

88 POSSIBLE TYPES OF TURBULENCE YOU CAN ENCOUNTER DURING THE FINANCING OF YOUR PROPERTY

As your trusted mortgage advisor, I am the pilot during your journey through the loan process. If you receive a phone call from me or my friendly staff regarding a point of turbulence, do not be alarmed. We are calling with a solution in hand and we are looking forward to helping you secure your property financing!

The Buyer/Borrower:

1. Does not tell the truth on the loan application.
2. Submits incorrect information to the lender.
3. Has recent late payments on credit report.
4. Found out about additional debt after loan application.
5. Borrower loses job.
6. Co-borrower loses job.
7. Income verification lower than what was stated on loan application.
8. Overtime income not allowed by underwriter for qualifying.
9. Applicant makes large purchase on credit before closing.
10. Illness, injury, divorce or other financial setback during escrow.
11. Lacks motivation.
12. Gift donor changes mind.
13. Cannot locate divorce decree.
14. Cannot locate petition or discharge of bankruptcy.
15. Cannot locate tax returns.
16. Cannot locate bank statements.
17. Difficulty in obtaining verification of rent.
18. Interest rate increases and borrower no longer qualifies.
19. Loan program changes with higher rates, points and fees.
20. Child support not disclosed on application.
21. Borrower is a foreign national.
22. Bankruptcy within the last 2 years.
23. Mortgage payment is double the previous housing payment.
24. Borrower/co-borrower does not have steady 2-year employment history.
25. Borrower brings in handwritten pay stubs.
26. Borrower switches to job requiring probation period just before closing.
27. Borrower switches to job from salary to 100% commission income.
28. Borrower/co-borrower/seller dies.
29. Family members or friends do not like the homebuyer choices.
30. Buyer is too picky about property in price range they can afford.
31. Buyer feels the house is misrepresented.
32. Veterans DD214 form not available.
33. Buyer has spent money needed for down payment and closing costs and comes up short at closing.
34. Buyer does not properly "paper trail" additional money that comes from gifts, loans, etc.
35. Does not bring cashier's check to the title company for closing costs and down payment.

The Seller:

36. Loses motivation to sell (job transfer does not go through, reconciles marriage, etc.)
37. Cannot find a suitable replacement property.
38. Will not allow appraiser inside home.
39. Will not allow inspectors inside home in a timely manner.
40. Removes property from the premises the buyer believed was included.
41. Is unable to clear up liens against their property – short on cash to close.
42. Did not own 100% of property as previously disclosed.
43. Thought getting partners signatures were "no problem," but they were.
44. Leaves town without giving anyone Power of Attorney.
45. Delays the projected move-out date.
46. Did not complete the repairs agreed to in contract.
47. Seller's home goes into foreclosure during escrow.

48. Misrepresents information about home & neighborhood to the buyer.
49. Does not disclose all hidden or unknown defects and they are subsequently discovered.
50. Builder miscalculates completion date of new home.
51. Builder has too many cost overruns.
52. Final inspection on new home does not pass.
53. Seller does not appear for closing and won't sign papers.

The Realtor(s):

54. Have no client control over buyers or sellers.
55. Delays access to property for inspection and appraisals.
56. Unfamiliar with their client's financial position – do they have enough equity to sell, etc.
57. Does not get completed paperwork to the lender in time.
58. Inexperienced in this type of property transaction.
59. Takes unexpected time off during transaction and can't be reached.
60. Jerks around other parties to the transaction – has huge ego.
61. Does not do sufficient homework on their clients or the property and wastes everyone's time.

The Property:

62. County will not approve septic system or well.
63. Termite report reveals substantial damage and seller is not willing to fix or repair.
64. Home was misrepresented as to size and condition.
65. Home is destroyed prior to closing.
66. Home not structurally sound.
67. Home is uninsurable for homeowners insurance.
68. Property incorrectly zoned.
69. Portion of home sits on neighbor's property.
70. Unique home and comparable properties for appraisal difficult to find.

The Escrow/Title Company:

71. Fails to notify lender/agents of unsigned or unreturned documents.
72. Fails to obtain information from beneficiaries, lien holders, insurance companies, or lenders in a timely manner.
73. Lets principals leave town without getting all necessary signatures.
74. Loses or incorrectly prepares paperwork.
75. Does not pass on valuable information quickly enough.
76. Does not coordinate well, so that many items can be done simultaneously.
77. Does not bend the rules on small problems.
78. Does not find liens or any title problems until the last minute.

The Appraiser:

79. Is not local and misunderstands the market.
80. Is too busy to complete the appraisal on schedule.
81. No comparable sales are available.
82. Is not on the lender's "approved list."
83. Makes important mistakes on appraisal and brings in value too low.
84. Lender requires a second or "review" appraisal.

Inspectors:

85. Pest inspector too busy to schedule inspection when needed.
86. Pest inspector too picky about condition of property, hoping to create work for themselves.
87. Home inspector not available when needed.
88. Inspection reports alarm buyer and sale is canceled.