

TYPES OF PLANNING HICCUPS

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 two years
23. Mortgage payment is double the previous housing payment
24. Borrower does not have steady two-year employment history
25. Borrower brings in handwritten pay stubs
26. Borrower switches to job with a probation period
27. Borrower switches from salary to 100% commission income
28. Borrower/co-borrower/seller dies
29. Family members or friends do not like the home buyer chooses
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 comes up short of money at closing.
34. Buyer does not properly "paper trail" additional money that comes from gifts, loans, etc.
35. Buyer does not bring cashier's check to title company for closing costs & down payment.
36. Buyer changes lender with or without informing Broker
37. Buyer backs out after home inspection or after reviewing preliminary title
38. Buyer dies

The Seller:

39. Loses motivation to sell (job transfer does not go through, reconciles marriage, etc.)
40. Cannot find a suitable replacement property
41. Will not allow appraiser inside home
42. Will not allow inspectors inside home in a timely manner
43. Removes property that the buyer believed was included
44. Cannot clear up liens - is short on cash to close
45. Did not own 100% of property as previously disclosed.
46. Encounters problems getting partners signatures
47. Leaves town without giving anyone Power of Attorney
48. Delays the projected move-out date
49. Did not complete the repairs agreed to in contract
50. Seller's home goes into foreclosure during escrow
51. Misrepresents information about home & neighborhood
52. Does not disclose all hidden or unknown defects and they are subsequently discovered.
53. Builder miscalculates completion date of new home
54. Builder has too many cost overruns
55. Final inspection on new home does not pass
56. Seller does not appear for closing and won't sign papers
57. Seller unable to obtain mortgage loan for next home
58. Title discovers encroachment on neighboring property
59. Seller Dies
60. Seller has a name change and hasn't recorded it at county, so there is a cloud on title

The Realtor(s):

61. Realtor does have cell phone resulting in difficulty to contact
62. Have no control of transaction
63. Delays access to property for inspection and appraisals.
64. Unfamiliar with their client's financial position - do they have enough equity to sell, down payment, etc...
65. Does not get completed paperwork to the lender in time.
66. Inexperienced in this type of property transaction.
67. Takes unexpected time off during transaction and can't be reached
68. Misleads other parties to the transaction
69. Does not do sufficient homework on their clients or the property and wastes everyone's time.

The Property:

70. County will not approve septic system or well
71. Termite report reveals substantial damage and seller is not willing to fix or repair
72. Home was misrepresented as to condition
73. Home is destroyed prior to closing
74. Home not structurally sound
75. Home is uninsurable for homeowners insurance
76. Property incorrectly zoned
77. Portion of home sits on neighbor's property
78. Unique home and comparable properties for appraisal difficult to find
79. County records indicates a different (or additional) owner(s)
80. Property Boundary Dispute arises

The Escrow/Title Company:

81. Fails to notify lender/agents of unsigned or unreturned documents
82. Fails to obtain information from beneficiaries, lien holders, insurance companies, or lenders in a timely manner.
83. Lets principals leave town without getting all necessary signatures
84. Loses or incorrectly prepares paperwork
85. Does not pass on valuable information quickly enough
86. Does not coordinate well, so that many items can be done simultaneously
87. Does not bend the rules on small problems
88. Finds liens or other title problems at the last minute

The Appraiser:

89. Is not local and misunderstands the market
90. Is too busy to complete the appraisal on schedule.

91. No comparable sales are available
92. Is not on the lender's "approved list."
93. Makes important mistakes on appraisal and brings in value too low.
94. Lender requires a second or "review" appraisal.

Inspectors:

95. Pest inspector not available when needed.
96. Pest inspector too picky about condition of property.
97. Home inspector not available when needed.
98. Inspection reports alarm buyer and sale is cancelled.